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# FINANCIAL TIMES

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## NEWS SUMMARY

**GENERAL**  
**Sydney hotel blast kills 2**  
Two dustmen were killed when a bomb planted in a rubbish bin at Sydney's 42-storey Hilton hotel exploded. Four police officers were among six people who were injured.  
The explosion took place one day after Mr. Malcolm Fraser, Australian Prime Minister, and other Commonwealth leaders who were attending a four-day Commonwealth regional conference in Sydney. The hotel was a major venue for the conference.  
Police hunting the bombers said that they were searching for three men in their 30s who had been described in a newspaper incident as a deliberate attempt to sabotage the conference. Regional conference, Page 2.

**Business**  
**Miners' £50 bonus worries NCB**  
MINERS in the more productive fields are getting productivity bonuses of nearly £50 a week, while other less productive areas yield bonuses of only £5 a week, according to Coal Board figures. The Board would like to see a national productivity agreement on top of local deals which would lessen resentment from the poorer areas. Page 4.  
**EARLY REPAYMENT** provisions of the U.K. Official Borrowings Agreement so far have made only a small dent in the totals due in the peak years of 1979-84. Within the past few months \$1.75bn. has been repaid, mainly representing loans maturing in the early years of the period, three men in their 30s who had been described in a newspaper incident as a deliberate attempt to sabotage the conference. Regional conference, Page 2.

**Muzorewa's stand backed by party**  
Abo Muzorewa yesterday won the full backing of 360 delegates to the party congress of the United African National Council for his stand against state voting rolls in a new situation for Rhodesia. He said that even if the problem had been resolved, the more crucial issue of the composition of the armed forces remained to be tackled before there could be a signing ceremony. Page 2.  
African police have failed to stop a flood of the country with American Express cheques, it was stated last night.

**French Left bill leads**  
The French General Election in four weeks, the French Left are maintaining their stance in the public opinion polls. A French Institute of Public Opinion poll, which is to appear in the magazine Point to-day, gives the Communists and Left-Right Radicals 52 per cent of the vote in the first round. Page 2.

**Israeli protest**  
The Israeli protest against the U.S. State Department's alleged failure to take action against the U.S. might forfeit its position as a mediator. Page 2.  
**Idat in Paris**  
President Sadat of Egypt arrived in Paris from Bucharest for talks with President de Gaulle and de Gaulle's wife, which is expected to last for Mirages and other arms. He is due to leave on Monday.

**ore snow**  
Boys were drowned after a snowstorm in North Wales. A child died after falling into the mountains of Strathclyde as heavy snow fell. All roads between England and Scotland were closed by snow which was expected to continue for at least three days.

**over-up**  
The organisers of the Miss England and Miss England competitions have told competitors that they can no longer wear swimsuits to local heats because it is too hot for girls from taking part.

**iefly...**  
British miner was shot dead in Zambia's copperbelt. A report was made to strangle his life.

**ire, the Royal Navy's 10th**  
The Royal Navy's 10th fleet submarine is to be commissioned at Vickers, Barrow, tomorrow.  
The captain, Geoff Boycott, will lead the submarine on its first test run for seven hours and 22 minutes in the first test run in New Zealand at Wellington. Page 8.

## Germany's refusal to reflate further could stop summit

BY DAVID BELL WASHINGTON, FEB. 12

American irritation at West Germany's continuing refusal to reflate its economy has now reached the point where some U.S. officials are seriously questioning the value of the economic summit scheduled to take place in Bonn in July.

Mr. Michael Blumenthal, U.S. Treasury Secretary, is expected to make this clear when he visits Bonn to-morrow to discuss the agenda for the summit and, once again, to stress the U.S. view that West Germany must do more to stimulate the sluggish world economy.

The disagreement about German economic policy, which has become steadily more serious, began almost as soon as the Carter Administration took office. Neither the Germans nor the Americans accept the other's position, leading one official here to remark that, at times, the dispute seemed something of a "dialogue of the deaf."

But U.S. officials now insist that some kind of pre-summit agreement between the U.S. and Germany is essential. Without it, they say, there is a strong risk that the disagreement between two of the most powerful countries in the industrialised world could torpedo the whole summit. In their view, this would be infinitely worse than not holding the meeting at all.

Some officials have therefore suggested that the U.S. should consider requesting the cancellation, or at least postponement, of the meeting. But invitations have already gone out and the Administration is maintaining on why the Ministers met and what they were talking about, observers in Paris believe that the discussions focused on the nervous state of the exchange markets, particularly the recent run on the franc and the uncertain position of the dollar, as well as on the pessimistic outlook for the world economy in 1978.

Forecasts prepared for the meeting of the OECD group dealing with balance of payments problems—the so-called Working Party Three—which is due to meet later this week, show that the payments adjustment process is still not working properly. These experts continue to stick to their view that some of the stronger economies such as Japan and West Germany must make a much higher effort to reduce their large payments surpluses and enable the deficit countries to move towards equilibrium.

It is also understood that the experts look on a further appreciation of the Deutschmark and the yen and a consequent depreciation of the dollar as inevitable in the coming months. The present U.S. balance, according to the forecast, is still expected to be in deficit by about \$150n. in 1978.

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## Leyland calls for curb on Japanese

BY TERRY DODSWORTH AND ARTHUR SMITH

BRITISH LEYLAND, the U.K.'s largest exporter, has broken ranks on the motor industry's commitment to free trade with a direct approach to the Department of Trade for some form of import control on Japanese cars.

This radical change in Leyland's policies follows a week in which the Japanese motor companies, having refused to promise future sales restraint in Britain, pushed their sales up to a record 13 per cent, against an average of 10.5 per cent, last year.

Mr. Michael Edwards, British Leyland chairman, and Sir Leslie Murphy, chairman of the National Enterprise Board—Leyland's largest shareholder—saw Mr. Edmund Dell, the Trade Secretary, on Friday to express "growing disquiet" about the growth in Japanese sales.

The company's trade unions are equally aware of this. On Thursday last, the Cars Council, the top echelon of the union participation machinery in Leyland, sent a memorandum to all Cabinet members, including the Prime Minister, calling for selective import controls on cars.

The memorandum emphasised the direct link between the company's ability to sell in the U.K. and possible factory closures, a plan which Mr. Edwards brought home in his talks with the unions.

The unions asked the Government to intervene in any plans for shutdowns, closures and phasing down of operations.

Fears of closures have been heightened again by a letter from Mr. Pat Lowry, the company's director of personnel and administration, to union officials, warning that the future of the Triumph car plant at Speke, Liverpool, has been put in jeopardy by its 15-week strike.

But the Department of Trade has already said that it will not take precipitate action. In an interview on the World This Week television programme yesterday, Mr. Dell said that the international trading system would crumble further if the Japanese failed to redouble their efforts to reduce their large trade surplus.

Governments would be pressed into taking specific action against Japanese products. The danger of protectionist action was "much greater" perhaps than the Japanese realised.

"If the Japanese reduce their surplus this year to the degree that they have promised, if they show that they really understand the requirements that we have in this country in respect of certain industries, then I hope

that further deterioration in the trading system can be prevented. But I am seriously worried," he said.

A total ban on Japanese imports was undesirable because they were good products, cheap and attractive to consumers. "The consumer is important but it comes to the crunch countries will choose to protect the producer rather than the consumer."

Mr. Dell will shortly see the U.K. negotiators from the Society of Motor Manufacturers and Traders who visited Tokyo last week. They are likely to argue for a wait-and-see policy.

## New offer to tanker drivers may avert chaos

By Christian Tyler, Labour Editor

A REWORKED pay offer to Shell oil tanker drivers could bring peace to the industry in time to prevent severe disruption to manufacturing and transport.

Both the Department of Employment, which has seen the proposals, and some leaders of the drivers' overtime ban, believe they could be enough to end industrial action against most of the oil companies.

Shop stewards at all Shell's oil terminals will be explaining the terms to their members to-day before a national meeting to-morrow.

Stewards at BP, Esso and Texaco are also meeting during the week. These companies, which normally follow Shell's lead on pay, are likely to adopt the Shell formula.

Any lead from Shell's drivers could therefore set an example for those employed by the other companies.

The new proposals, it was learned yesterday, were shown to the Department of Employment last week, when Shell said that they were still within the Government's pay guidelines—10 per cent, on earnings and productivity bonuses only if they are self-financing.

But the Department said yesterday that it was reserving judgement on Shell's claim until it had examined the details of any settlement.

"Settled" Hitherto, Shell has offered an increase on earnings limit in the 10 per cent, with a productivity deal worth about another 5 per cent. The latest terms have not been disclosed but do not, apparently, involve any further productivity offer.

Last night Mr. Geoff Parkes, secretary of the West Midlands tanker drivers' co-ordinating committee, where militancy has been high, said that it had been left to Shell to deal with the Department and be understood that matter had been settled. "All we want to do is get back to work."

On Wednesday, the power workers' union resumed pay talks with the Electricity Council. They are expected to push for a much better productivity offer than that put forward. But as the offer is complicated, and the union is now entering a five-year period of redesigning its basic line of volume cars.

## Ethiopia claims troops pushing towards Jijiga

BY JAMES BUXTON HARAR, Feb. 12

ETHIOPIAN army commanders said to-day that the counter-offensive begun on January 21/22 against Somali forces in the Ogaden region had lifted the virtual siege of two key Ethiopian towns of Dire Dawa and Harar in the north and troops were pushing towards Jijiga.

Somali forces captured Jijiga in September—a fact that Ethiopia officially acknowledged only to-day—and have staged several attacks on both Dire Dawa and Harar. They held the bulk of the Ogaden region. The claims of success against Somali forces were made at a briefing to-day when the Government took journalists to the war zone for the first time since last August.

It was the first detail of the multi-pronged retaliation against Somali forces. In spite of new equipment acquired from the USSR and the admitted advisory, technical and medical assistance of Cubans, which Mr. Cyrus Vance, U.S. Secretary of State, has said, extends to actual combat, Ethiopian commanders acknowledge that the Somali regular forces have put up equivalent of one division since August.

One said: "We have a long way to go." According to Col. Melaku Negash, eastern sector commander, one column of Ethiopian troops has established a defensive perimeter 60 km. along the railway from Dire Dawa to the independent state of Djibouti. From Harar, one column is said to have established a position three-quarters of the way to Jijiga, a second has reached Jijiga, 34 km. north of Harar, in the mountains south of Dire Dawa, and a third has reached a point 40 km. south of Harar.

Journalists were taken to what was described as the front line of the Fadis offensive. Signs of recent combat included wrecked tanks, bodies and empty shell cases. Troops were dug in in foxholes, backed by a squadron of concealed tanks a few kilometres behind.

Commanders said that Somali forces had withdrawn further 20 km. to the south, but there had been no fighting for two weeks on this front. According to one senior officer, the Somalis struck first on January 21-22 on all four fronts, possibly to push the Ethiopians into an offensive sally, possibly to engage the Ethiopians in battle before their full reinforcements from the USSR could be brought into use.

Ethiopian commanders refuse to discuss tactics but their intention may be to surround and enforce the surrender of many Somalis. According to Colonel Melaku, Ethiopia has lost 500-700 men, with 1,500 wounded, in the campaign that began last July. He estimated Somali casualties at the equivalent of one division (about 10,000 men).

## Phase 4 of pay policy emerging

By Christian Tyler, Labour Editor

MINISTERS have begun to discuss ideas for continuing wage restraint when the present informal but rigorous pay policy expires at the end of July.

Their contacts with TUC leaders suggest that they want to start talks after the Budget on April 11, in spite of the TUC's policy commitment to a full return to voluntary collective bargaining.

The recent successes of the 10 per cent earnings limit, notably the miners' acceptance of it last week, have encouraged the Chancellor and others to look for some kind of arrangement that will maintain the downward pressure on the retail price index.

Inflation could, they believe, drop as low as 7 per cent in early summer and continue at that level for the rest of the year provided wages are kept in check.

In spite of the warnings of Mr. Joe Gormley, miners' union secretary, and others that the Government's present path will lead to electoral disaster, Ministers believe the public supports their tough line and that the Opposition's attacks on sanctions against private companies are unconvincing.

Mr. Len Murray, TUC general secretary, has already told the Chancellor that the kind of speeches made early this year about the advantages of extending wage restraint were damaging the chances of peaceful pay settlements in the present round. Union leaders have also warned Ministers informally not to underestimate the antipathy of certain industries, then I hope

that further deterioration in the trading system can be prevented. But I am seriously worried," he said.

## Gas chief defends policy of holding price again

BY ROY HODSON

GROWING differences between the nationalised energy industries over pricing policy will be brought into the open to-day at the second meeting of the Energy Commission, with Mr. Anthony Wedgwood Benn, the Energy Secretary, in the chair.

Two energy chairmen, Sir Francis Tombs of the Electricity Council and Sir Derek Ezra of the National Coal Board, will attack Sir Denis Rooke, chairman of the British Gas Corporation, for holding gas prices below coal and electricity prices, and allegedly cutting into their markets.

Long-term Low prices for gas now, while coal and electricity prices were likely to rise in the next 12 months, making a strong case for his new policy of holding gas prices at present levels for a second successive year.

## Where are there 19 new stories about the city?

Angel Court, EC2, for there, adjacent to both the Bank of England and the Stock Exchange you will find the storeys in question.

The development comprises 175,000 square feet of air-conditioned office accommodation now available for letting. Amenities include banking, shopping and restaurant facilities together with 25 car parking spaces.

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## OVERSEAS NEWS

## Iranian oil exports fall, Venezuelan output declines

BY OUR OWN CORRESPONDENT

TEHERAN, Feb. 12.

IRAN'S exports of crude refined oil and Venezuela's production of crude oil have both fallen back to their lowest point in decades.

The size of the drop in Iranian exports is the most dramatic indication so far of the extent of the oil glut on world markets. Stock piling by consumer countries is thought to be at an unprecedented level. Huge domestic stocks of distillate and fuel oil started to be built up by importers last spring in anticipation of revived industrial activity and another severe European winter—neither of which materialised.

Unusually high 1977 year-end stocks—now being drawn upon—were further bolstered as buyers tried to beat the price increase that was eventually deferred in December. Iran's exports of heavy crude, which yields a higher proportion of fuel oil than lighter crude, were particularly hard hit.

The National Iranian Oil Company's direct exports of heavy crude from Khuzestan show a 45 per cent drop compared with December. Direct exports of

light crude from the same field, however, were down only 8 per cent. Predictions for world oil consumption for the coming year show an increase of 4 per cent, the same as Iran's own projection for its own exports.

Observers here say that this growth rate can probably be met although demands for OPEC oil may continue to be slack—partly due to the increased production from Alaska, Mexico and the North Sea. It is thought likely that Iran's exports will pick up next month. But it is a fact of life in the oil world that virtually anything can happen.

Last year at this time Iran expected a big drop in exports. But bad weather stopped ships from taking oil in Saudi Arabia and the whole situation was reversed almost overnight. Iran's budget announced last week and now debated, strongly indicated a liberalisation of fiscal policy, with its huge loan authorisation.

Joseph Mann reports from Caracas: Venezuela's production has fallen principally because of a persistent surplus of certain crude oils on the world markets. Venezuela's Energy and Mines Ministry's figures released this week-end showed that average crude oil output this year to

February 8 was 1.71m. barrels per day.

This represents a fall of 27.5 per cent—more than 649,000 barrels per day—compared to production for the same period last year. On a yearly basis Venezuela's crude output has not been at the 1.7m. barrel per day mark since 1953.

As Venezuela is starting the year with such low production figures, petroleum sales have dropped and it will be difficult to make up earnings over the rest of the period unless international demand for crude rises dramatically.

The Government is in the process of carrying out a wide range of costly development programmes, funded chiefly by oil revenues, and any significant decrease in petroleum sales this year will put real pressure on the Treasury. This year alone, the central government budget should total more than \$10bn, with the bulk of ordinary revenues derived from oil.

Over the past few years Venezuela has seen its great petrodollar surpluses shrink to the point where the Government must now assume a cautious attitude towards spending if it wishes to avoid regular budgetary deficits.

## Coal union rivalry deepens crisis

BY STEWART FLEMING

NEW YORK, Feb. 12.

PRESIDENT CARTER declared an energy state of emergency in Ohio yesterday as efforts to resolve the 68-day U.S. coal strike foundered again on bitter rivalries within the United Mine Workers' Union (UMW).

This morning the president of the union, Mr. Arnold Miller, called an "informal" meeting of the union's bargaining council. The council had been due to meet formally on Friday but angry crowds of demonstrating miners kept Mr. Miller away from the union headquarters and prevented the meeting from being convened.

The council has to decide whether or not to approve a tentative settlement of the longest strike in the UMW's history and all the signs are that it will reject the proposed settlement which Mr. Miller has recommended.

Until it comes to a decision, however, the coal industry contract talks are paralysed. It was unclear this morning why Mr. Miller had asked the bargaining council to meet informally and what the agenda of the meeting will be assuming his rivals within the union respond to the call. There is little doubt that some of the union president's enemies are

trying to exploit the upheavals over the tentative strike settlement in the hope of forcing Mr. Miller's resignation.

Administration officials close to the talks find the prospect of Mr. Miller's resignation almost as worrying as the current anarchy within the union, which is blocking any movement to a settlement.

They say that Mr. Miller's resignation would leave a vacuum at the top of the mine workers' union in the middle of the negotiations, with no obvious candidate to fill it who could rally union officials and rank and file members and move the union firmly in the direction of an agreement with the coal companies.

In the meantime electricity companies in several regions including Ohio and Indiana have issued warnings that during the coming week they will have to curtail supplies and there are forecasts that thousands of workers will have to be laid off by industries affected.

There are fears that the latest setback in the coal negotiations means that even if there was a rapid settlement this week it would be March before coal supplies began to flow. UMW miners produce about half the nation's coal.

## Eastern Airlines has good look at Airbus

BY JOHN WYLES

NEW YORK, Feb. 12.

AIRBUS INDUSTRY'S prospects of selling a significant number of its A300 Airbus in the U.S. hinge on a vital decision to be made by Eastern Airlines in the next few weeks.

Although some other factors may take precedence, the outcome of the French general election could be an influence on the Eastern Airlines' board. The possibility of a left-wing victory has already cost the aircraft's manufacturers three sales to Western airlines, which is believed to have backed out of a deal last year partly because of the French political situation.

Eastern has since been operating four of the Airbus on a six-month no-cost lease. If it places a sizeable order the Airbus will then be a credible candidate for a share of the \$400m, which U.S. airlines are expected to spend on new aircraft during the 1980s.

The Airbus industry consortium of German, French, Spanish, Dutch and British manufacturers says it needs to sell 350 aircraft in order to break even on the project. So far 43 have been delivered and options and orders taken for a further 88.

In spite of the manufacturers' optimism, there are no real signs that the Airbus is about to crack the American market. Eastern is still cagey about its intentions, although it is being very complimentary about the Airbus, saying that it is operating well and has been favourably received by its passengers.

Some analysts have expressed the view that Eastern will eventually buy 15 of the A300 while other manufacturers may place orders for no more than 10 over the next three years. This is almost certainly less than the Airbus manufacturers are hoping for.

For all the aircraft's technical attractions, the widely held view is that its current design is not ideal for the U.S. market. The two versions of the aircraft, the B2 and the B4, have a range of 1,500 and 2,500 miles respectively. The 1,500-mile range is said to be too short for many of the U.S. trunk airlines, while the 2,500-mile range is more appropriate but an aircraft with a payload of 230 is just too large.

Inquiries among the major airlines reveal that all are full of technical admiration for the A300 and that the aircraft is being assert that the aircraft fulfils its requirements.

## Italy proposals awaited

BY DOMINICK J. COYLE

ROME, Feb. 12.

A SHORT TERM economic recovery programme for Italy and proposals for an all-party political accord to sustain a new Christian Democrat Government in office are expected to be unveiled by Sig. Giulio Andreotti, the Prime Minister-designate, by the middle of this week.

Both documents are likely to have been over to the country's main political forces prior to a collegial meeting presided over by Sig. Andreotti towards the weekend. It is hoped that this may finally break the deadlock over a new administration.

The deadlock followed the Communist Party's demand for direct participation in the new government. It has since dropped

this ultimatum and is insisting on an "emergency plan" which would be guaranteed by the Communists being accepted into an explicit Parliamentary majority.

The economic plan submitted by the Christian Democrat leadership is thought to propose immediate deflationary steps which could get the Italian economy growing at an annual rate of more than 4 per cent by the end of this year.

It is said to advocate an upper limit of some Lire 24,000bn. (\$28bn.) in the 1978 enlarged public sector deficit. Such an estimate would exceed the guidelines agreed by Italy with the International Monetary Fund (IMF) last April.

## Tribunal on clashes agreed in Lebanon

By Ihsan Hijazi

BEIRUT, Feb. 12.

A JOINT Syrian-Lebanese tribunal is being set up to try those who may be found responsible for provoking the clashes over the past few days between Syrian troops of the Arab peace-keeping force, which number about 30,000, and right-wing elements of the "Lebanese army" who were backed by Christian militia-men.

The decision to form the court was a compromise reached yesterday at intensive talks between Lebanese and Syrian leaders. Mr. Abdel Halim Khaddam, the Syrian Foreign Minister, led the Syrian side to the talks. He was accompanied by Vice Air Marshal Naji Jamil, the air force commander and a key political figure.

President Elias Sarkis officiated at the negotiations, in which Lebanon's three top right-wing Christian leaders took part, led by former President Camille Chamoun.

The compromise has injected an uneasy calm into the overall situation after four days of heavy clashes which claimed the lives of more than 150 people. A large number of the casualties were among Syrian soldiers who were picked off by Christian snipers.

There is scepticism in various quarters that the compromise will really solve the crisis. An open letter addressed to President Hafez Assad of Syria today in the daily Al-Ahram, which represents the left-wing of the Phalange party, revealed how seriously the relationship has deteriorated between Damascus and the Lebanese Christians—alleged during the latter part of the civil war.

## Cambodians abduct Thai villagers

By Richard Nations

BANGKOK, Feb. 12.

OVER 300 Thai villagers were abducted by a combined force of Cambodian troops and Thai Communist insurgents during a series of clashes over the weekend near the Cambodian border in north-east Thailand. Thai provincial police have reported.

The abduction—by far the largest incident along this frontier, which has been troubled by two years of chronic border clashes and village raids—came less than a fortnight after Dr. Upadit Pichayangkul, the Thai Foreign Minister, returned from a goodwill mission to normalise relations with Phnom Penh. He reported that the Khmer Deputy Premier, Ing Sary, personally reassured him that "we have no reason whatsoever to provoke any dispute along the border."

The verbal agreements Dr. Upadit then reached with the Cambodians to exchange ambassadors and resume trade were accompanied by another: "That both sides would try their best to preserve peace along the border" (in Dr. Upadit's words).

Meanwhile, Thai reinforcements were sent to Namyuen district of Ubon Ratchathani province where the attacking force from Cambodia, estimated at near 100 "well-organised men," first struck Paed-un village last Thursday.

## Finland may follow Norway devaluation

BY WILLIAM DUFFORCE

STOCKHOLM, Feb. 12.

FINLAND is likely to follow the statement on Saturday indicated Norwegian krona announced that he was now ready to consider last Friday. But no further sideer devaluing currencies is expected.

On Friday the Finnish government, announcing a 100,000 mark supplementary budget to combat soaring unemployment, reported that the budget deficit would reach Fmk50m this year. A large part of the deficit would have to be financed through foreign loans.

The Norwegian government yesterday followed the devaluation with a price freeze. The like the Norwegians, partially followed suit. There has since one per cent and Mr. Velin, the Finance Minister, promised further measures to reduce the price rises, hold down private consumption and cut domestic credit.

Within the ruling coalition the Minister, announced after a week-end would not leave the European comment by their leader, Mr. currency snake, although Arvo Saarni, suggested that majority of the governing board of the Norwegian devaluation had of the Bank of Norway is under not changed their minds. Government to have favoured with nor Kolvisio has also resisted devaluation.

## Soares plans approved

BY JIMMY BURNS

LISBON, Feb. 12.

PORTUGAL'S second constitutional government won parliamentary approval by a majority vote at dawn today for its programme of strict austerity measures. The programme, which aims at reducing the country's crippling balance of payments deficit—now standing at about \$1.3bn.—may lead to the resumption of negotiations with the International Monetary Fund for a \$700m. loan, here next month.

After nearly five days of heated debate the Socialist and the Christian Democrats (CDS) de- and the CDS have a majority of 143 deputies in parliament. The rejection of the programme proposed to a total of 127 deputies posed by the Communist party that can be mastered up by the and the Social Democrats (PSD). Communists and the PSD.

The opposition parties refused to ally themselves in either of the rejection motions, so giving a much stronger majority to the programme than the Government had originally expected.

Mr. Mario Soares, the Prime Minister, was visibly delighted with the result. He had been suggested that some members of the Socialist party who disapproved of the government of alliance with the CDS might be tempted to join the CDS. The Socialist party, however, has a majority of 143 deputies in parliament. The rejection of the programme proposed to a total of 127 deputies posed by the Communist party that can be mastered up by the and the Social Democrats (PSD). Communists and the PSD.

## Muzorewa wins backing of his party over Rhodesia talks

BY TONY HAWKINS

SALISBURY, Feb. 12.

BISHOP Abel Muzorewa today won the full backing of 380 delegates to the United African National Council Party Congress on his stand against separate voting rolls in a new constitution for Rhodesia (Zimbabwe).

Speaking to newsmen after the UANC's day-long emergency congress on Rhodesian constitutional issue, the Bishop reiterated his stand against separate voting rolls and to make matters worse—warned that even if this problem had been solved the even more crucial issue of the composition of the armed forces remained to be tackled before there could be a signing ceremony. The Bishop's comments suggest that the hopes expressed by the two other black nationalist groups taking part in the talks—the African National Council (ANC) and Zimbabwe United People's Organisation (ZUPO)—that there would be a formal signing ceremony tomorrow of an agreement in principle, have been thoroughly dashed.

Rhodesian Government sources

have been pessimistic about any change in the Bishop's stance and have played down the nationalists' reports that a signing was imminent. The Bishop refused to disclose his party's position on the stalled talks.

Bishop Muzorewa said the conference to-day had passed a vote of confidence in the UANC negotiating team and given it a fresh mandate to continue the search for a negotiated agreement.

"I have got the message from the masses," he said adding "I'm expecting that they (the other parties to the talks) will accept it."

The Bishop claimed that if the present talks collapsed he had other alternatives to turn to, though he declined to say what these were.

The view from Salisbury is that the four parties will manage to negotiate some form of compromise agreement on the issue of the method of election for the white MPs—possibly a reduction in the number of whites—but the issue of the security forces could be a major stumbling block.

Our Foreign Staff adds: Britain has just sent further details of its plans for an independence constitution to the Rhodesian Government. Bishop Muzorewa and Mr. Sithole, as well as to the Patriotic Front, which is not a party to the Salisbury talks.

Britain has been working for some time on a fleshed out version of the constitutional proposals it put forward in outline in a White Paper last September. But the decision to circulate these now could be partially designed to strengthen the Bishop's resolve against the Salisbury formula for 25 white Members of Parliament elected on a separate voting roll.

Under the British White Paper plan, there would be 100 directly elected members of parliament on a common roll and 20 special ones—indirectly elected by the other Members of Parliament—to represent minority communities. The latest British document is thought to spell out further details of this special representation.

## Commonwealth regional meeting gathers

BY KENNETH RANDALL

SYDNEY, Feb. 12.

PARTICIPANTS in to-morrow's first regional meeting of Commonwealth Heads of Government have assembled here this week-end in an atmosphere marked by the distinct uncertainty about the point or potential worth of the exercise.

Twelve Heads of Government, nearly 400 officials, and about 200 journalists are involved, and as usual for such occasions about 90 per cent of the extensive final communiqué is already written. The degree of real substance in that final 10 per cent, will be the key judgments about whether the regional initiative is taken up and expanded within the Com-

monwealth association. The role of officials will be kept to a minimum. Personal contacts among the Heads of Government will be maximised and the Press will be largely excluded. In this way it is hoped to find a worthwhile range of common interests sufficient at least to overshadow the real enough differences between several members of the grouping.

The question for this week's meeting in Sydney may well be whether the Commonwealth can provide the rationale for any sort of coherent regional grouping amid so many other regional political pressures.

## Namibia talks 'adjourn'

UNITED NATIONS, Feb. 12.

HIGH-LEVEL negotiations on independence for Namibia (South West Africa) moved towards an inconclusive adjournment today after the South African Foreign Minister, Mr. P. W. Botha, announced he was returning home to consult his government.

He and the Foreign Ministers of the U.S., Britain, France, West Germany and Canada were at pains to stress that the talks on the South African-ruled territory were still alive.

Mr. Botha told a hastily summoned Press conference, 12 hours after his surprise decision to cut short the week-end discussions, that some progress had been made.

## Italy proposals awaited

BY DOMINICK J. COYLE

ROME, Feb. 12.

A SHORT TERM economic recovery programme for Italy and proposals for an all-party political accord to sustain a new Christian Democrat Government in office are expected to be unveiled by Sig. Giulio Andreotti, the Prime Minister-designate, by the middle of this week.

Both documents are likely to have been over to the country's main political forces prior to a collegial meeting presided over by Sig. Andreotti towards the weekend. It is hoped that this may finally break the deadlock over a new administration.

The deadlock followed the Communist Party's demand for direct participation in the new government. It has since dropped

this ultimatum and is insisting on an "emergency plan" which would be guaranteed by the Communists being accepted into an explicit Parliamentary majority.

The economic plan submitted by the Christian Democrat leadership is thought to propose immediate deflationary steps which could get the Italian economy growing at an annual rate of more than 4 per cent by the end of this year.

It is said to advocate an upper limit of some Lire 24,000bn. (\$28bn.) in the 1978 enlarged public sector deficit. Such an estimate would exceed the guidelines agreed by Italy with the International Monetary Fund (IMF) last April.

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## WORLD TRADE NEWS

## Carter rejects restraint advice on nuts and bolts

BY DAVID BELL

WASHINGTON, Feb. 12.

IN A SURPRISE decision, President Carter has turned down a recommendation that the U.S. should impose higher tariffs on imports of metal fasteners.

Mr. Carter said late on Friday that higher tariffs on nuts, bolts and screws, as proposed by the U.S. International Trade Commission, would add to inflation, and was probably unnecessary, because the recent rise in the value of the yen was already making Japanese fastener imports less attractive. Japan accounts for about two-thirds of the \$800m. a year import business.

Mr. Robert Strauss, the President's special trade representative, is understood to have strongly urged the President to provide the domestic metal fastener industry with some relief because of the strong protectionist sentiment on Capitol Hill. President Carter chose to reject his advice and the three-to-one recommendation of the ITC that tariffs should be raised by up to 30 per cent.

Under the 1974 Trade Act, Congress has the right to override the President if he does not accept the ITC's ruling and there were angry mutterings over the weekend on Capitol Hill about the ruling. Congressman Charles Stenholm, chairman of the House Trade Committee, is a leading figure in the Congressional steel caucus, said that Mr. Carter's decision was "clearly inconsistent with the intent of Congress." He said that his committee would shortly hold a hearing on the matter, and that he would be deciding whether or not to override Mr. Carter.

## U.K. opposes pulp dumping complaint

By Max Wilkinson

THE U.K. paper and board industry is to oppose a French Government complaint against the alleged dumping in Europe of North American pulp.

The French Government agreed to pursue the complaint which was raised by French pulp producers, seriously alarmed by the current fall in prices. French pulp production in 1978 was 1.7m. tonnes compared with 1.3m. tonnes imported.

The main concern is over the imports of North American bleached sulphate pulp used for fine papers. Part of the reason for the low cost of American pulp is that wood costs are about half the average in Europe. The British Paper and Board Industry Federation has decided that it will not support the French complaint because it does not want pulp prices to be increased.

The majority of sulphate pulp used in U.K. mills has to be imported. Profits are therefore squeezed between the world pulp price and the prices that can be charged for finished paper. The Federation believes it unlikely that a rise in pulp prices would be adequately reflected in a rise of paper prices. The effect would therefore be to reduce the already small margins of U.K. mills.

## Matsushita goes for bigger share of U.S. facsimile market

BY DOUGLAS RAMSEY

TOKYO, Feb. 12.

MATSUSHITA, Japan's leading worldwide facsimile manufacturer, claims between 30 per cent. and 40 per cent. of the world market, and will soon launch a new drive in the American market.

It will do so by selling its second generation facsimile machines under its own Panafax brand in the U.S. Until now, some 30,000 Matsushita machines have been sold under the 3M label and taken over 30 per cent. of the U.S. market. Last summer, Matsushita set up a joint venture in New York called Panafax Corporation with Visual Science Inc. to market under the Japanese company's own label. Meantime, Matsushita has driven the last nail into its agreement with 3M company which itself will stay in the market after acquiring the facsimile division of a U.S. manufacturer.

News of Panafax Corporation's plan to market the second generation machines this spring in the U.S. surfaced at the Tokyo release of new models for the Japanese market some of which have been modified to meet CCITT (international) standards for overseas markets. Matsushita hopes first to put its two to three-minute transmission machines using an electrostatic recording system on the U.S. market before introducing the more advanced models revealed last week which move into 20-second transmission and PPC (plain paper copy) or thermal recording systems.

Japanese sources estimate that about 260,000 facsimile machines for office use have been installed worldwide. Of this, the U.S. accounts for about 130,000 units. Japan 90,000 units and Western Europe about 40,000 installed machines. Matsushita's decision to concentrate its efforts in the American market is therefore not surprising.

In Europe, Matsushita facsimile machines are sold under the Plessey label by the British company. Matsushita says this arrangement will continue although there may be some decision to have Plessey market the newest range of models under the Panafax label as well.

The facsimile business is still at a relatively nascent stage, although some experts reckon the Japanese industry is already overpowered with about 20 makers. Apart from Matsushita, the only Japanese exporter so far is Ricoh, which sells in Europe under the Infotec brand, and is Japan's leading copying machine manufacturer. Ricoh is particularly known for its high speed machines, and the new models put on show by Matsushita last week go some way to close the gap with Ricoh by offering a much wider range of facsimile systems. In the past, for instance, Matsushita has concentrated on its Panafax 1000 and 2000 models for marketing in the U.S. under the 3M label. Both lines have now been discontinued.

The prices in Japan of the new Panafax machines range from Yen 5.5m. (£10,000) for the UF-205 which transmits and receives (simultaneously) if desired, in 20 seconds, to the less costly (at £3,000) new Panafax 6000. The latter is a desktop facsimile transceiver using the new PPC recording system which lets the user employ untreated paper. This reduces the operating costs from normal existing systems which require specially-treated paper for the electrostatic or thermal recording systems.

In the Japanese market, Matsushita has a 50-70 per cent. share for installed facsimile machines, with Ricoh in second place. In the U.S. market, Matsushita is also ahead of Ricoh, but remains far behind Xerox which claims about 40 per cent. of the market. At the very least, Matsushita now hopes to pull away from Graphic Science, a specialised company, which like Matsushita now commands about 30 per cent. of U.S. sales.

Panafax Corporation will also capitalise on Matsushita's unique position as a supplier of specialised facsimile systems for industrial rather than office use (in broadcasting, police work, etc.).

Matsushita is working on a process called Pagefax for the high speed transmission of a full newspaper page. This uses a laser system to make a printing plate directly without having to go through the laborious process of transmitting the copy on to negative film which is then used for printing the plate. The company hopes to announce a prototype laser Pagefax in the near future.

## UAE £100m. telephone expansion planned

By John Lloyd

EMIRTEL, the telephone company for the United Arab Emirates (UAE) is about to approve a large spending programme to extend its telephone network. A Board meeting this week will decide on the level of investment, which is thought to be upwards of £100m.

Expansion of the network, which currently carries 82,000 lines, is proceeding rapidly. The company hopes to have a network of 124,000 lines by the end of this year, a result of last year's spending programme.

Earlier reports that the company was about to issue a tender for a large turnkey contract worth around £300m. were firmly discounted last week by Mr. Geoffrey Downer, the general manager of Emirtel.

"This will not be anything like the Saudi Arabian contract (worth over £1bn.). We will keep control of expansion in our own hands, and let out contracts bit by bit."

Emirtel's switching equipment is largely made up of Penta exchanges, manufactured in the U.K. by Plessey. The company is 60 per cent. owned by the UAE Government, and 40 per cent. owned by Cable and Wireless, the U.K. state-owned telecommunications contractor.

## Poland to boost Soviet trade to offset Western protectionism

BY CHRISTOPHER SOBINSKI

WARSAW, Feb. 12.

RECENT ARTICLES in the Polish Press, criticising Western protectionist policies, reflect growing anxiety among the Polish authorities for prospects of increasing hard currency exports and a growing determination to focus on the Soviet market for future trade.

In one article, Mr. Stanislaw Jurek, Polish vice foreign trade minister, accused the West of planning ways of "hampering the development of the Socialist countries, and thus of prospective competitors." He specifically mentioned the recently introduced EEC steel import restrictions and tariffs on textile, leather and glass goods imports.

While noting that "it is necessary that everyone should understand that we are condemned to operate, which from the point of view of detente lies in every basic interests" he stressed as the most effective defence against protectionism is "further development of the integration of the Socialist countries."

It is significant that these pronouncements come just after Polish Premier Piotr Jaruzelski's two-day high level visit to the Soviet Union. Despite the fact that the visit came after the signing of a trade protocol for 1978, which foresees a 17 per cent. rise in mutual trade turnover to Rubles 6.7bn., the recent Moscow talks covered ways of increasing trade both this year and in the period up till 1980.

Raw materials supplies played an important role in the talks. One decision taken was that Polish labour and equipment will participate in future pipeline construction in the Soviet Union in return for additional supplies of oil and gas, following the pattern set by the Orenburg and Novopolock projects. Another was for additional Soviet supplies of mining machinery in return for extra supplies of coal—Poland is already planning to export 9.5m. tons to the Soviet Union this year.

An extension beyond the previously agreed amounts of Soviet supplies of housing and agricultural equipment was discussed. Both are areas where shortages in Poland are causing consumer discontent.

Also discussed were prospects for cooperation in the production of large tipper trucks, drilling platforms and vessels for oil and gas prospecting and the production of equipment for nuclear power stations, as was cooperation prospects in the chemical engineering and transport industries and in the food and consumer goods industries.

## Export credits arranged for Irish alumina plant

BY MARGARET HUGHES

EXPORT CREDIT financing has been arranged in the U.K. for the £280m. alumina project on the West coast of Ireland which Alcan Aluminium is now going ahead with in partnership with Royal Dutch/Shell's Billiton subsidiary and Atlantic Richfield's Anaconda company.

The export credits are being provided jointly by a syndicate of U.K. banks headed by the Export Credits Guarantee Department (ECGD), which are offering £80m. and the Export Development Corporation (EDC), Canada which is supplying 30m. The financing, which has been co-ordinated by Morgan Grenfell, is unusual in that it is being provided through a single agreement.

Although two different countries are providing the funds, according to ECGD this method is suggested by the Canadians in practice it has simplified considerably the documentation involved.

The U.K. element of the export credits is being financed in return, despite the Government's recent ruling that buyer credits should now be financed in foreign currencies. This, ECGD claims, is because the funds had been committed to the project when it was first announced several years ago—long before the new ruling.

Alcan originally put forward proposals for the Irish alumina project in 1974 with two Scandinavian partners but shelved the project the following year because of the world economic recession and slump in aluminium demand. But at the end of last year, after the original partners had dropped out, Alcan resurrected the project by announcing that it would go ahead with two new partners to set up an 800,000 tonnes a year plant at Aughinish Island near Limerick which would be on stream in 1982. The investment in the project will be £280m. compared with the £100m. envisaged originally and Alcan will have a 40 per cent. stake instead of the 70 per cent. it had previously. The financial package for the project is expected to involve a European market loan of around \$200m. together with local development grants as well as the export credits and the equity capital provided by the three partners.

## Fiat 127 holds lead

BY PAUL BETTS

ROME, Feb. 12.

THE fifth consecutive year Fiat's "127" model was the best widely sold car in Western Europe last year, the Turin company reports.

The company said some 453,300 "127s" were sold in Europe last year, of which 243,000 in Italy, some 22,700 in West Germany and 16,801 in Britain, according to the Turin group, its main car sales in Britain now represented about 5 per cent. of the market, while in Europe as a whole Fiat currently controlled about 5.5 per cent. of the market. The company hopes to increase its presence in Europe to between 6.5 and 7 per cent. by the end of the lower 900cc version.

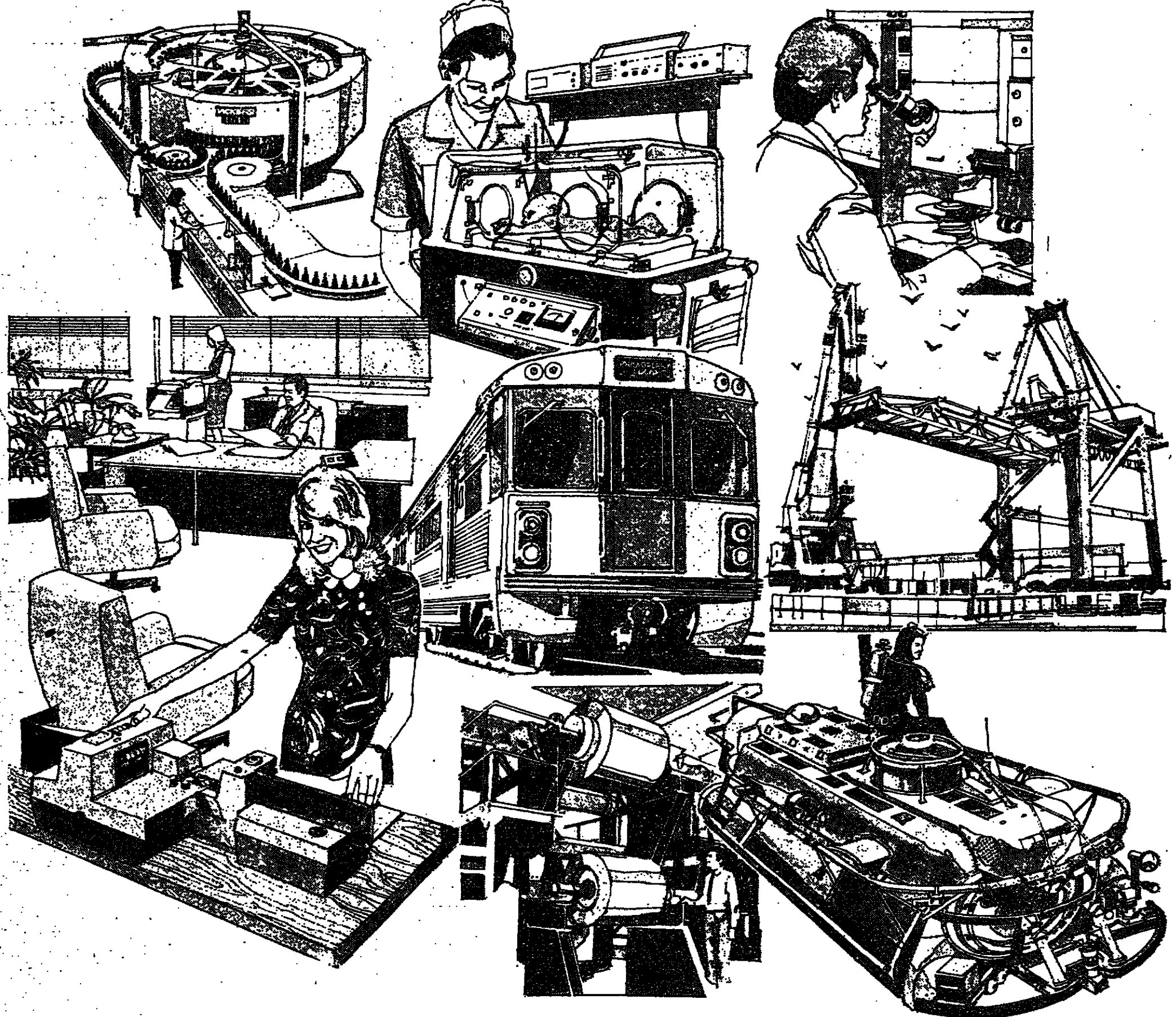
## CONTRACTS

Siemens has signed a DM220m. contract in Buenos Aires with Argentine telephone authorities Empresa Nacional de Telecomunicaciones (ENTEL) for engineering sales of equipment to Argentina's telephone network.

Concast has received an order worth over \$w. \$rs. 3.5m. from the Venezuelan company Siderur Siderurgica del Turbio, for a continuous casting installation for the Barquisimeto steelworks west of Caracas. All electrical equipment will be supplied by the Brown Boveri group.

## World Economic Indicators

RETAIL PRICE INDICES			
	Jan. 78	Dec. 77	% Change over earlier
Germany	143.4	142.3	139.7
France	189.4	188.2	173.3
Italy	189.4	187.4	184.5
Japan	125.25	124.76	124.31
U.K.	189.3	185.4	185.0
U.S.	126.7	124.1	122.5
West Germany	186.1	185.4	184.5
Index base year			1970=100
Germany			1970=100
France			1970=100
Italy			1970=100
Japan			1970=100
U.K.			1970=100
U.S.			1970=100
West Germany			1970=100



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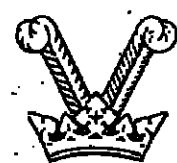
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## HOME NEWS

## Import effects worry car parts makers

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE DETERIORATION in Britain's car manufacturing capability is beginning to have a damaging impact on the country's much stronger motor components and commercial vehicle industries.

This is the implication of the latest figures on the value of the U.K.'s motor imports and exports prepared by the Society of Motor Manufacturers and Traders. The statistics show that imports in all these sectors rose sharply last year, easily cancelling out the increase in exports, which did little more than keep pace with price inflation.

The growth in commercial vehicle imports, at 72 per cent, was particularly startling. But even more worrying to British manufacturers was the 66 per cent rise in component imports to £759m.

This is evidence of an underlying trend which will be extremely difficult to reverse because it is caused by the development of large-scale component imports by multi-national car companies to their plants in Britain, as well as the need for more replacement parts for the growing number of foreign cars on Britain's roads.

The car import bill, up by £438m (50 per cent) to £1.3bn last year, increased the most in purely monetary terms. This figure far outweighed the £752m earned by car exports, and is now approaching the £1.6bn earned by components.

Even in miscellaneous motor

industry products, such as trailers, caravans, tractors and small marine engines, imports grew much faster than exports on a percentage basis—up 48 per cent against 25 per cent.

The net result of this lacklustre performance by the British

in many years, after a period in which it has established a strong exporting position in virtually every product area other than cars.

Even after the problems last year, the net positive balance on trade in these products came to £1.5bn.

But the trends still give some cause for anxiety for the industry since they show that the weakening of the car-producing sector is having a harmful effect on the other industries.

For example, importing companies which have established strong car trading networks are now being encouraged to use their dealerships for commercial vehicles as well.

In addition, they are bringing in a growing amount of spare parts from overseas to service their cars, which require more maintenance as the age of the vehicle fleet increases.

The other main influence behind the growth of component imports has come from the increasing integration of the multi-national car companies.

These concerns are now bringing in a large proportion of the parts they need for assembling several of the models, such as the Ford Fiesta or Vauxhall Cavalier, and this has helped substantially to the component import bill during the last two years.

It has proved impossible to put a firm figure on the precise volumes involved in this trade, but the companies argue that it is balanced by exports in the other direction.

motor industry was a 14 per cent decline in the trading balance on motor products—a figure arrived at after deducting the value of imports from the value of exports.

The motor industry has suffered this reversal, the first

VALUE OF U.K. MOTOR INDUSTRY EXPORTS/IMPORTS (£m.)

	1976	1977	%
Cars	433	752	+74
Exports	886	1,324	+50
Imports	1,345	1,640	+23
Components	455	756	+66
Exports	548	453	-19
Imports	123	211	+72
Commercial vehicles	578	722	+25
Exports	110	164	+49
Imports	3,103	3,766	+21
All motor products	1,574	2,455	+56
Exports	1,529	1,311	-14
Imports			

## Director curb likely to worry banks

BY MICHAEL BLANDEN

THE GOVERNMENT'S plans to tighten controls over the conduct of company directors, set out in a White Paper at the end of November, are expected to arouse some concern over the detailed rules among the big clearing banks.

Signs are growing that while bankers accept the general intention of the proposed regulations, they feel that they do not sufficiently recognise the special character of the banking business in certain areas.

The main purpose of the rules is to combat insider dealings by directors and others with price-sensitive confidential information.

The proposals set out under the title The Conduct of Company Directors, however, also provided for the first time for a statutory definition of the duties of directors and for tightening the law on loans to directors.

The last point is likely to be the one of most direct relevance to the banks, since lending on a large scale through their extensive branch networks is their main business.

Bankers may be worried about the implications of disclosing loans to directors in principle runs against their long-standing rules of confidentiality in dealing with customers.

They could find difficulties in the proposal of a £50,000 limit on loans to directors if this also applies to their families and other interests.

Apart from any other issues, this could raise practical problems for a bank if it was required to monitor all loans to directors' family, companies and trusts, possibly at a considerable number of its branches.

Bankers may also feel, given the nature and size of their own business, that the planned limit could be regarded as too low, particularly if it puts directors at risk of having their cheques returned if the limit is at any time exceeded.

The proposals on directors' duties, particularly in relation to the interests of employees, may also raise issues for the banks.

They put strong emphasis on their duties in the first instance to their creditors and depositors, underlined by the planned separate legislation for the supervision of the banks and for establishing a deposit protection fund.

Bankers could be concerned if there were any possible implications for the responsibility being undermined by the creation of a preference for another group such as employees.

## International to launch new sales campaign

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

ANOTHER ROUND in the price war between supermarkets started today with the launch of a campaign by International Stores, the BAT Industries supermarket subsidiary.

The group, which runs 650 supermarkets under the International and Wallis names, is guaranteeing to hold the prices of its "plain and simple" range of non-branded groceries for six months.

It is also committing itself to regular price cuts on a wide range of goods not in the "plain and simple" range.

The campaign will involve a further cut in International's gross profit margins. In spite of this, the chain is expected to continue to give Green Shield stamps.

International's drive coincides with publication of Green Shield's new catalogue today.

## NEWS ANALYSIS—REVALUING PENSIONS

## Challenge on inflation fails

BY ERIC SHORT

THE CENTRAL theme of government policy to pensioners is that they should be protected against inflation by having pensions linked to prices and that the pensions should increase in line with national average earnings.

This principle was stressed in the Labour Party's 1974 election manifesto and has been accepted by the other political parties. It is now enshrined in the Social Security Act 1975.

Yet, the Government has been challenged in the courts by three pensioners with the backing of the Child Poverty Action Group, over the way it has implemented this principle.

Last week, the courts rejected the pensioners' appeal and upheld the methods used by the Secretary of State for Social Services in determining the level of pension increases.

The intention under the Act was that pensions should be reviewed at least once a year and revalued in line with changes in the earnings index. But if prices over the period moved ahead of earnings, then the uprating would be based on the retail price index to maintain purchasing values.

Some practical problems complicate this straightforward theoretical approach. The actual new pension levels have to be announced at least 22 weeks be-

fore they take effect so that the Department of Health and Social Security can deal with all the announced increases, announced looked mostly for this reason that the Government endeavours to keep to an annual uprating.

Thus if the rises are based on historical movements in national average earnings, then they can be taken only up to the date of the announcement. In the five months before the pensions become payable, their value is eroded by inflation.

This seems an obvious defect when using past index movements, but as the table shows, the first two upratings on the system in April and November 1975 were on a par-value basis. At that time, earnings were rising very rapidly indeed, with

price increases lagging far behind.

On paper, at least, the pension increases announced looked generous, especially as they were being made within seven or eight months of the previous increase.

Then came the pay policy in August, 1975. When the next pension increase was announced in the 1976 budget, the uprating basis had been switched to the R.P.I. development on the site.

The plan will have a capacity of 3.8m. tons a year, and will eventually supply a new 10,000-ton-a-day blast furnace at Redcar when this is completed.

## Skateboard enthusiasts to use exhibition centre

By Arnold Kransdorff

THE National Exhibition Centre in Birmingham plans to open its doors to skateboarders. Officials from the centre met skateboard park construction companies at the first National Skateboard Trade Show in the Royal Horticultural Society's halls, Westminster, over the weekend.

The slack season for bookings at the Birmingham centre during ten weeks from the end of June to August. This coincides with the school summer holidays, and officials believe that the empty halls could be used by skateboarders.

Runs, ramps, bowls and pipes, could be easily dismantled for the hall to revert to their normal use.

The only skateboarding area in Birmingham is part of a car park at Windley Leisure Centre, but at least a dozen applications for specially constructed parks are being considered by the local authority.

Greater Birmingham has a population of about 3m. and 4 per cent are believed to be skateboarders.

Mr. Fred Ritchie, sales manager for the National Exhibition Centre, said various schemes were being considered, including financing the project out of gate receipts.

## Commissioning of BSC plant

By Rhys David

BRITISH STEEL Corporation is expected to begin commissioning today its £23m. sinter plant at its £170m. development on the site.

The plant will have a capacity of 3.8m. tons a year, and will eventually supply a new 10,000-ton-a-day blast furnace at Redcar when this is completed.

The association says that it is "utterly opposed" to any further local government reorganisation so soon after the 1974 changes.

"It is quite wrong to contemplate a further reorganisation which would be bitterly controversial and involve considerable cost at a time of great financial difficulty."

Moreover, the association says any transfer of powers from local government to the new Assembly would "move the administration of services to the very opposite of the stated purpose of devolution."

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## Construction leaders seek Budget aid

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A DEPUTATION of construction industry leaders will today meet Mr. Peter Shore, Environment Secretary, to press for help in the Budget and to discuss the industry's role over the next decade.

The "Group of Eight," representing professional, employer and union bodies will set before Mr. Shore a list of proposals which they feel can help the industry in its efforts to stimulate a revival in output.

These include 100 per cent capital allowances for industrial building, tax relief for improvements to existing buildings, a reduction in Development Land Tax to 50 per cent, tax relief on employees' overseas earnings, and tax relief for energy conservation in buildings.

The industry is also calling for a raising of the starting point for stamp duty from its present £15,000 level. It also suggests that local authority mortgages should be no more expensive than those offered by building societies.

The deputation will impress on the Minister their belief that the Government should set out a clear policy for the industry's role over the next decade.

They will point out that planned expenditure over the next four years will be 20 per cent below the average for the previous six years and that demand from the private sector is unlikely to grow enough to take up the slack in public works.

Mr. Shore will be told that future workloads have been set at too low a level and that further contractions in the industry's labour force and capacity can be expected.

The problems of manpower, investment and productivity in the industry likely to be further worsened by the fact that the industry will be high on the agenda. This will also include such items as an examination of major social and economic needs that have not been met by Government policies.

The Minister will also hear of the industry's concern over the proposed sanctions policy. The deputation will say that any attempt to police pay settlements in the construction sector, including the plumbers, heating and ventilating engineers and electricians, through freezing the letting of construction contracts and blacklisting major companies, will have a serious effect on the industry's efficiency and its chances of a revival.

## Demand for new housing increases

A MARKED increase in demand for new housing has been reported by the house-building industry, writes Michael Cassell.

The latest state of trade inquiry conducted by the House-Builders Federation among 250 member companies showed that the outlook was bright—despite concern about land shortages and poor profit margins.

The proportion of builders reporting higher demand for new homes had risen to 63 per cent from the 38 per cent, recorded in an inquiry three months ago. Demand was high for all price categories and in nearly all regions.

The attitude of potential purchasers to their economic prospects had improved. The proportion of builders who felt that the uncertain economic climate was an important deterrent to home buyers fell between inquiries from 55 per cent to 33 per cent.

Builders reported that mortgage availability had continued to improve, although people's inability to save up a deposit on their first home—the Government last week announced measures to help this sector—appeared to be the leading constraint on demand.

A record 79 per cent of companies said the lack of building land at viable prices was a major obstacle to the supply of new housing.

Builders said the problem was compounded by continuing difficulties in obtaining detailed and outline planning permission. Inadequate margins on development projects under examination was a considerable deterrent.

The federation's findings add to fears that although private housing demand is rising sharply, the house-building industry will not be able to step up output to meet this, and with a plentiful supply of mortgage finance, prices could increase sharply. This might restore builders' narrow margins, but would also stifle demand.

## Wales Bill opposed by county councils

BY DAVID CHURCHILL

OPPOSITION to the Government's devolution plans for Wales is being mounted by county councils in England and Wales who fear proposals for a review of Welsh local government.

The Association of County Councils, in an internal policy document, describes as objectionable "clause 13 of the Wales Bill that 'the Welsh Assembly should review the structure of local government in Wales and shall report its conclusions to the Secretary of State'."

The Wales Bill is expected to come before the Commons in a few weeks.

The association says that it is "utterly opposed" to any further local government reorganisation so soon after the 1974 changes. "It is quite wrong to contemplate a further reorganisation which would be bitterly controversial and involve considerable cost at a time of great financial difficulty."

Moreover, the association says any transfer of powers from local government to the new Assembly would "move the administration of services to the very opposite of the stated purpose of devolution."

It would also have the effect of creating serious delays and a slowing down of the already slow processes of Government."

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The Skene Pier Company plans to build a new theatre on the beach to replace the one left stranded out at sea last month when storms swept away two large sections of the Victorian pier.

## More Home News, on Page 26

## 'No bonus' angers ASTMS

By Philip Bassett, Labour Staff

THE ASSOCIATION of Scientific, Technical and Managerial Staffs is to demand, to secure the profit shares of International Computers, which has told staff that it cannot justify a quarterly bonus under an agreed self-financing productivity scheme.

The scheme was agreed as part of the staff pay settlement last August.

Staff were promised a quarterly bonus if turnover was up by 10 per cent on the same period for the previous year. For the first two months after the settlement, the staff received a 2.6 per cent bonus.

ICL now says that turnover for the final quarter last year was not good enough to make the bonus properly self-financing. It let staff call it "disappointing."

The company blames a 16-day strike at its plant in Winsford, Cheshire, by members of the Amalgamated Union of Engineering Workers and difficulties in the manufacture of printed circuit boards.

ASTMS, which has 7,000 members at ICL and is the biggest single union represented in the company, said that it deplored the fact that ICL had highlighted an industrial relations problem as the main reason for not paying the bonus.

Its members were angry that their bonus was being affected by a strike in another union.

The strike was just one factor in the drop in turnover.

ICL said that though the pay settlement was agreed within Government wage guidelines, refusing the staff the bonus was nothing to do with the guidelines.

## McDermott men reject peace deal

By Our Own Correspondent

A MEETING of 1,000 workers overwhelmingly rejected a return to work settlement at the McDermott plant construction yard.

The peace formula was negotiated last week in Glasgow between Engineering Union officials and management to end the dispute which has halted work on three offshore orders since January 10.

Failed negotiations at the end of last year on management plans for a three-shift system and a demand by workers for more pay led to the dispute.

The union says the new shift system is necessary for the yard to counter competition from other U.K. and European yards seeking offshore orders.

Mr. Ian McKee, an Amalgamated Union of Engineering Workers shop steward, said yesterday: "There was no original intention of three-shift working, but only delaying it. We rejected it on that basis."

The claim would increase the basic grant from £1,010 to £1,280; the grant for London students would rise from £1,145 to £1,450. For students living at home it would increase from £780 to £995.

The union maintains that it has taken current levels of inflation into account, but the amount it claims would still restore the grant only to its value in 1962.

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## Toughen Budget demands, unions to tell TUC

BY CHRISTIAN TYLER, LABOUR EDITOR

ARGUMENTS from some union leaders that TUC is being too modest with its Budget demands are expected to surface at the next meeting of the TUC general council.

The TUC is looking for a reflationary boost of something over £3bn. in the cut of its economic review. But at the weekend, Mr. Jack Jones, general secretary of the Transport and General Workers' Union, called for a stimulus of more than £4bn.

Mr. Jones said yesterday that he had suggested the higher figure at last Wednesday's meeting of the TUC economic committee, and that the arguments behind his case would be taken up.

He had to leave the meeting early in the evening the higher figure was not included. Mr. Ken Gill, general secretary of the white-collar section of the east-£10 Christmas bonus should be nearer, backed Mr. Jones, and doubled and made a permanent said yesterday there would prob-

ably be a fight for the higher figure when the general council meets to finalise its review 10 days.

Mr. Jones said he did not dissent from the proposal the just over £3bn. of the TUC's figure should be in the form of a cut in income tax, the TUC is asking for a reduced rate of 25 per cent on the first £100 of taxable income.

But there must be more for pensions, job creation—special for the young—and improve mental health services at such benefits, he added.

In a speech at Portsmouth on Saturday, Mr. Jones said the automatic upward adjustment in pensions due in November was not enough.

The April 1 Budget should raise the index to at least 225.5, a week for a single pensioner and the £32.80 for a married couple. The white-collar section of the east-£10 Christmas bonus should be nearer, backed Mr. Jones, and doubled and made a permanent said yesterday there would prob-

## Coal Board worried about £50 bonuses

BY JOHN LLOYD, INDUSTRIAL STAFF

SOME MINERS in the move to 30 per cent productivity bonus may be disappointed.

The Board believes that the week on top of their basic wage, according to the National Coal Board. For others the bonus is as low as 25.

The disparity is strengthening a Board decision to continue to press for a national productivity agreement on top of the agreed agreements which will soon cover the whole country.

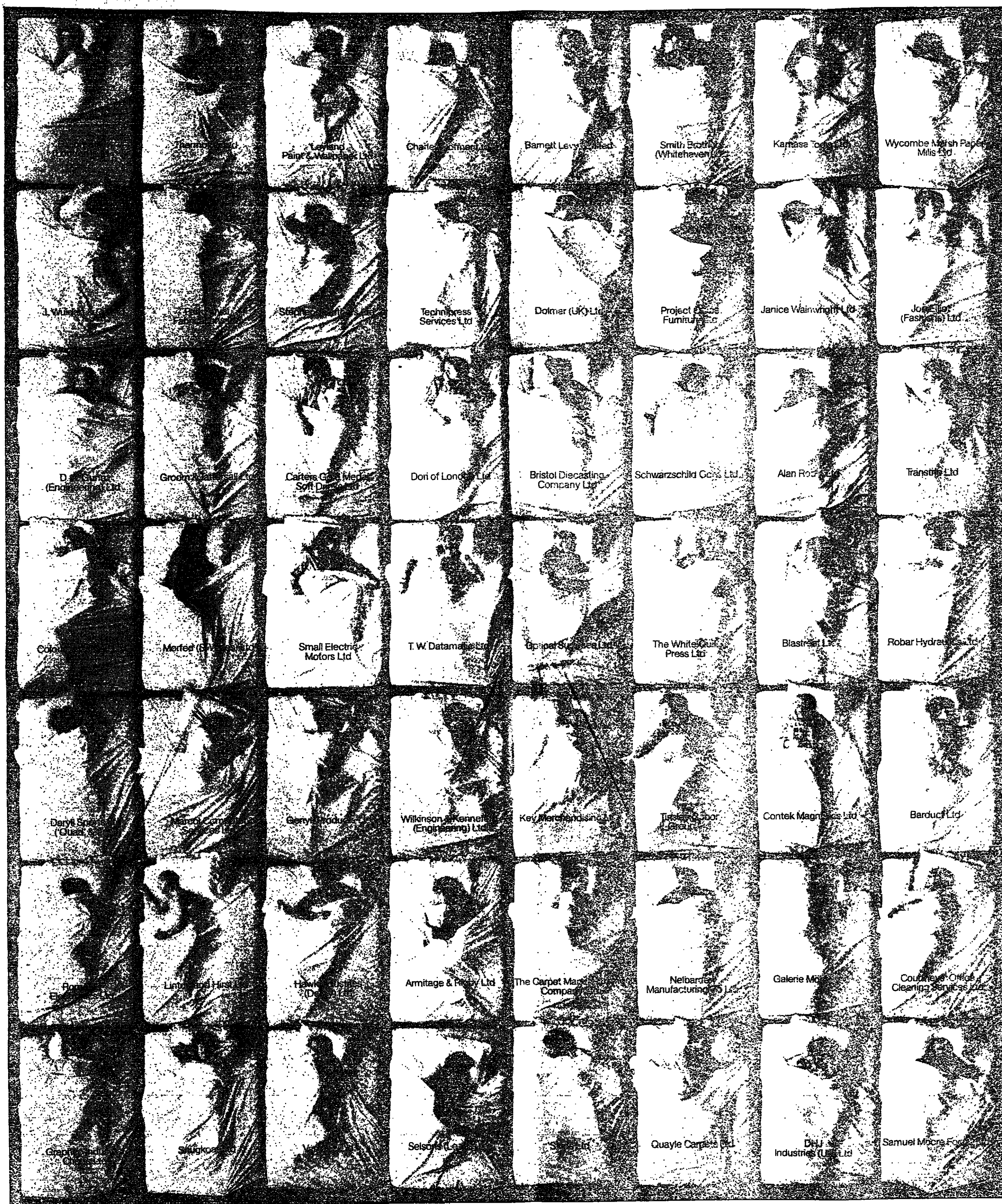
The Board fears that unless a national agreement is signed, the wide anomalies will occur between areas which could lead to protracted arbitration, and apparent that miners' wages move on to an alternative system.

They also believe that the lack of a productivity agreement will lead to the introduction of automated machines over the next decade.

About 40 per cent of Britain's 228 collieries now operate



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المعاملات المالية



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ENERGY

### Beaming power from huge satellites

DWARFING the Apollo man in the moon programme, a project to build huge solar power capture plants would mean energy from space to earth has been outlined to President Carter's science adviser, Dr. Frank Press, by the Boeing Aircraft Corporation which has been working on the idea for some ten years.

Studies have been carried out for the Energy Research and Development Association along the lines of such power beam satellites by Arthur D. Little and these have done a great deal to dispel initial sheer disbelief that such units could be built, or made to function, or be sent to earth with out frying everyone in the beam.

Boeing's concept would require the establishment of "orbiting factories" housing up to 500 operatives to build the vast solar panels needed for the satellites which would be 18 km long and 6.5 km across.

Materials would be ferried up to the factory by unmanned spacecrafters similar to the shuttle which is now under test. Assembly would take place in low orbit and once the station had been completed it would be propelled by on-board engines into a geostationary orbit 35,000 km above the earth's surface.

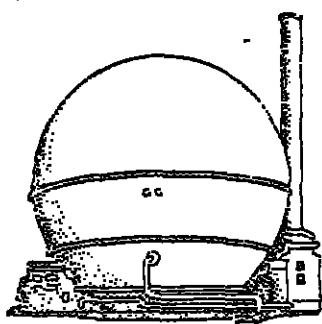
### Wind turbine efficiency

A NEW technique to increase the efficiency of wind turbines has been perfected by Dr. Ozer Tigr, of the Ben-Gurion University of the Negev, Beer-Sheva, Israel. By surrounding an ordinary wind turbine with a shroud or duct, power output can be trebled, and the shroud eliminates the need for having the turbine facing straight into the wind.

The design has been evolved around the lift of aircraft wings.

### Introducing the Financial Times European Energy Report:

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Western Europe's energy mix—coal, oil, hydro, nuclear, gas—is a complex and changing one. An era of high-cost energy is looming. How the governments of Europe plan to meet the demand for energy, and at what price, will affect every business and individual in Europe—and many throughout the world.

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## HANDLING

### Conveyor sorts the parcels

FROM THE Dutch conveyor manufacturer, Rapistan Lande, comes a computer controlled sorting system to be capable of the automatic distribution to up to 500 collection points of large quantities of packages of varied size, shape and weight, at speeds up to 100 metres/min.

Called the Triplaner, the conveyor/sorter has applications in sorting postal packages, baggage handling at airports, and in warehousing.

The conveyor is made of rubber slats or track sections, which tilt to discharge the package at its programmed station. Chain driven, the overlapping slats enable the conveyor to turn corners, and rise and fall, without discontinuity.

Details from the U.K. office, Flor 4, Edmund House, Newhall Street, Birmingham B3 3EW (021-336 8575).

## PACKAGING

### Front and side marker

AUTOMATIC FRONT and side marking of a carton can be carried out in one pass with the latest coder from Lawtons of Liverpool, an Oxford Group company.

Friction driven by the passing carton, the marker is intended for installation on a production line. There are three models, all with a 15-inch long printing area, but with print widths of 1.5, 2 and 3 inches. Maximum reach round the front of the carton is 7 inches, before printing along the side. Front only printing can be carried out.

According to the maker, up to 100,000 impressions can be obtained on plain paper or board from the pre-inked microprocessor roller. The ink is non-toxic. The only maintenance is said to be an occasional spot of oil, and changing the ink-impregnated roller.

More from the maker at 60 Vauxhall Road, Liverpool L69 3AU (051-237 1212).

## METALWORKING

### High speed flanging machine

DEVELOPED JOINTLY by Appleton Shipbuilders (part of British Shipbuilders), and Foss and Young, of Gravesend, is a machine which can hot-form flanges on mild steel pipes from 1 1/2 to 6 inch bore within two minutes.

The new machine is now flanging some 90 per cent. of the six ships built each year by Appleton. The company says it has proved a worthwhile investment and has successfully flanged lower grades of tube which are prone to splitting.

The idea of heating, expanding, and turning the end of a pipe to form an integral flange is not new—the completed joint is called the Vastone or rolled joint.

On the Foss and Young machine, loose backing rings are slipped on to the pipe, then each end in turn is clamped in the machine by means of an electrically expanded conical die and finished with a square ended die. After manual facing, the loose backing rings are bolted together with a gasket in the usual way.

The joint configuration, which conforms with BS 4504, has gained the approval of Lloyds Register of Shipping, Det Norske Veritas and Bureau Veritas.

Although Appleton is using the machine only for low pressure pipework, the company says that tests have shown that the joints will withstand high pressure. A 4 inch bore pipe with an 1/8 inch thick rubber gasket has been tested to 1,400 psi.

The compact machine is operated by two men (one skilled and one unskilled), and the floor-to-floor time is inside two minutes for any size in the range. A model for pipes up to 8 inch bore is available. Tool changing for different sizes takes 20 minutes. Apart from inserting and removing the pipe, all stages in the process are push-button operated from a central console. Heating time is pre-set on an adjustable timer.

Operation is hydraulic, powered by 7.5 kW self-contained unit from Vickers Division Sperry Rand. Ram pressure is 100 tons on the 6 inch machine and 140 tons on the 8 inch.

Several advantages are claimed for the method. Fabrication costs are reduced because tack and finish welding is eliminated. Backing rings and gaskets are cheaper than the traditional welded flanges. Flanges are always formed square to the pipe end. Flanges can be formed as near as 6 inches to a right angle pipe bend. Installation cost is reduced because bolt hole misalignment is eliminated.

Main alternative to hot-forming is to friction weld a flange on the pipe, a method investigated by the British Ship Research Association.

It is understood that apart from difficulties with shop floor acceptance, the friction welding machine was more expensive than hot forming counterparts, although production time was much shorter.

While the hot forming machines are priced at £25,000 (6 inch) and £34,000 (8 inch), it is believed that a friction welding machine for 4 inch bore pipe would cost in the region of £30,000.

Details from Foss and Young Engineering, Gravesend, Kent DA12 2PT (0474 836211).

TONY FRANCE

## BATTERIES

### Double-life button cells

WITH an eye mainly on the hearing aid and electronic watch market, the \$1.5bn. turnover Gould Inc. is poised to market zinc-air button cells in the U.S. following a successful launch in the U.S. last November. Similar plans are being activated in several other European countries and it is planned to make a decision about a European factory in the late spring.

According to portable battery division general manager Carl Zies, there is "a 95 per cent. chance" that, if the plant is set up, it will be in the U.K.

Main advantage of the new cells is that they offer about twice the capacity of mercury or silver oxide devices, but only in continuous use applications.

Once a protective tape is removed to allow air to enter the cell will deteriorate whether it is used or not.

The zinc-air couple dates to the 19th century, the first practical devices appearing in the 1850s, and in 1972 an abortive attempt was made to market cylindrical cells by a company called Energy Conversion.

Backed by GKN, NRDC and British Ropes, this was set up to exploit spin-off in air electrode technology resulting from defunct NRDC-Chubb fuel cell work. The result was a "torch-burner" size cell which was on the market for about 13 months, at which point, GKN, majority shareholders, concluded that both military (it was to have been used in Cansu) and civil market demand were too

small. Energy Conversion ceased trading in 1974 and its technical director, Dr. Hans Espig, promptly departed for the U.S. to join none other but Gould Inc.

Gould's first approach in the U.K. is, it is understood, to the Department of Health and Social Security which supplies hearing aid batteries through the National Health Service.

The company's main task is to convince DHSS that the double capacity, set off against whatever price is agreed, will make the use of zinc-air worthwhile. The cells also offer less transportation cost in distribution (they are consumed at a lower rate), flatter discharge voltage characteristic, no environmental hazard (in comparison with mercury) and a good shelf life (2 per cent. capacity loss in first year is claimed).

A strong hint has come from Gould that the decision to set up a plant in the U.K. will very much depend on the outcome of the DHSS tendering later this year.

Apart from this the company is looking at the private hearing aid market, thought to be about one-fifth of the NHS value, and at the liquid crystal watch original equipment business.

A number of watch makers are known to be extremely interested in the zinc air cell because, with modern LCD units consuming microamps rather than milliamperes it is feasible that the battery will last the life of the watch itself—up to five years.

is quoted by Gould, although it is not endorsed by one major U.K. battery maker.

One problem might be the availability of oxygen for the cell through the watch's own sealing ring, although Gould claims this can be overcome with Teflon seals that could even be arranged to supply just the right amount of gas for maximum life with the current consumption involved.

The replacement market it plans to sell the rings with the battery. The reaction of the U.K. battery industry to Gould's plans is "wait and see." Ever Ready, it is known, has acquired several patents from GKN but has no plans to manufacture.

The general view is that the market is too small to make it worthwhile and that health service markets are difficult to make much profit from. Chloride also has a zinc air project in the laboratories but seems unlikely to manufacture small cells. A small outlet has existed for some years in large units for railway signalling and cattle fence energisation.

A reasonable assumption is that Gould is seeking an initial market foothold in terms of batteries in general—it has been making similar announcements about zero maintenance lead-acid types.

In both cases it is supported by a large market base in the U.S., which might well be the key to its success.

GEORGE CHARLISH

## OFFICE EQUIPMENT

### Four-function typewriter

INTENDED to be operated by a typist without special training, and aimed particularly at the small business market, the Adler T420 Compact offers four functions in one machine—standard office typewriter; automatic typing; invoicing; calculating and analysis.

Mr. Henri La Costa, managing director of Adler Business Systems U.K., says that he expects the machine to have the same impact on the typewriter market as the electronic calculator had on electro-mechanical adding machines.

The machine is controlled by a microprocessor which automates many typewriter functions, such as character spacing, paper feed, heading centring etc. A random access memory with a 1,000 character capacity allows auto-typing of sentences, paragraphs and complete letters.

Triumph-Adler, Nurnberg, Germany, which makes the machine, will market it in the U.K. through Adler Business Computers, a wholly-owned subsidiary of the British company Office and Electronic Machines, 140, Borough High Street, London SE1 1LH. Price of the T420 Compact with one program is £2,750.

## MATERIALS

### Fast cure printing ink

TWO MONOMERS and a fully reacted aliphatic urethane acrylic are contained in an ink base developed by Synthetic Resins. Addition of a photo initiator converts the base to an ultraviolet light curable system.

In this condition, curing speeds in excess of 800 ft./min. can be achieved for thicknesses of two and ten microns on a variety of materials, including tin plate, polythene lined board and Thames white lined chipboard.

The aliphatic base, more expensive than the usual aromatic base, is stated to have superior light fastness and is less likely to fade or yellow. There are no toxic components, and the material does not string or mist at high speed.

More from the maker at Frodsham House, Edwards Lane, Speke, Liverpool L24 9HR (051-458 3922).

## NOTICE

### TO HOLDERS OF KING RESOURCES CAPITAL CORP., N.V. 5 1/4% DEBENTURES GUARANTEED BY KING RESOURCES COMPANY AND DETACHED INTEREST COUPONS

All holders of 5-3/4% Convertible Subordinated Debentures (Debentures) guaranteed by King Resources Company due 1988 and Interest Coupons detached from the Debentures (the Detached Coupons) must now under the Orders issued by the United States District Court in the District of Colorado (Reorganization Court) exchange their Debentures or Detached Coupons for stock and cash in the reorganized company, Phoenix Resources Company, The United Bank of Denver, Corporate Trust Department-0075, Post Office Box 5028, Denver, Colorado 80217, has been named as the Exchange Agent, and your Debenture or Detached Coupons should be promptly presented to the Exchange Agent for conversion.

The Debentures with all attached coupons, including the coupons for interest payable June 1, 1971, and December 1, 1971, should be transmitted to the Exchange Agent at the above address. The Debentures are in bearer form and upon presentation, the holder of the Debenture or Detached Coupons must advise the Exchange Agent of the identity of the party to whom the shares in Phoenix Resources Company are to be issued. Such identity must include the name and mailing address and, as appropriate, United States social security number and/or tax identification number. Exchanges will be made on the following basis (per \$1,000 Debenture):

	Class A Stock	Class B Stock	Cash
Debenture w/both coupons attached	8	44	\$0.45 (1)
Debenture w/only 6/1/71 coupon attached	8	43	\$7.00
Debenture w/only 12/1/71 coupon attached	8	42	\$9.46
Debenture without coupons	8	42	\$0.00
6/1/71 coupon only	0	1	\$7.00
12/1/71 coupon only	0	0	\$9.46

(1) Pursuant to Court Order, no checks will be issued in payment of fractional share amounts if the amount is \$1.00 or less.

No shares of stock will be issued for any detached coupon due after December 1, 1971.

The calculation of distribution will be made on the total face amount of Debentures and Coupons held so that if an individual has more than one Debenture, his distribution will vary somewhat from the amounts listed.

The designations, preferences, and voting powers or restrictions and qualifications of each class of stock are as follows:

In case of liquidation of the corporation for cash (excluding merger, exchange of assets for stock, or other tax-free reorganization), (1) the holders of Class A stock shall be entitled to receive cash to the amount of \$20.00 per share before any payment in liquidation is made to the holders of Class B stock; (2) when the holders of the Class A stock shall have received cash to the amount of \$20.00 per share, the holders of Class B stock shall be entitled to receive \$20.00 per share; and (3) any remaining cash or proceeds of liquidation shall be distributed pari passu among the holders of Class A and Class B stock.

At all times subsequent to October 7, 1979, all issued and outstanding Class A stock shall be subject to call at \$20.00 per share.

UNDER AN ORDER OF THE REORGANIZATION COURT EACH DEBENTURE OR DETACHED COUPON HOLDER WILL HAVE FIVE YEARS AFTER ENTRY OF THE FINAL DECREE CLOSING THE KING RESOURCES COMPANY REORGANIZATION TO DEPOSIT DEBENTURES OR DETACHED COUPONS AND SECURE THEIR STOCK AND CASH IN THE NEW COMPANY. THE FINAL DECREE HAS NOT YET BEEN ENTERED. AFTER THE FIVE-YEAR PERIOD, THE DEBENTURES AND DETACHED COUPONS WILL NOT BE ACCEPTED FOR EXCHANGE AND STOCK WILL NOT BE ISSUED THEREFOR AND, ACCORDINGLY, THE DEBENTURES AND DETACHED COUPONS SHALL BE OF NO VALUE. UNDER THE PLAN OF REORGANIZATION, UNTIL OCTOBER 7, 1978, EACH CLASS A STOCK IS CONVERTIBLE INTO 1 1/4 SHARES OF CLASS B. AND UNTIL OCTOBER 7, 1979, EACH CLASS A SHARE IS CONVERTIBLE INTO 1 1/4 SHARES OF CLASS B.

While the Reorganization Court has confirmed the Plan of Reorganization, several appeals have been filed with the Tenth United States Circuit Court of Appeals in Denver appealing from the Order of Confirmation. You should be advised that these appeals could modify the number and amount of shares you are entitled to or modify the conversion privilege.

For further information, your inquiries should be directed to the United Bank of Denver, Corporate Trust Department-0075, Post Office Box 5028, Denver, Colorado 80217, or Charles A. Baer, Trustee, 1000 American National Bank Building, 17th and Stout Streets, Denver, Colorado 80202.

Charles A. Baer, Trustee in the Matter of King Resources Company, Debtor, in Proceedings for Reorganization of a Corporation No. 71-B-2521, United States District Court for the District of Colorado

## RESEARCH

### Centre to aid industry

FACILITIES AND expertise covering all aspects of the development and evaluation of non-metallic materials, and products and components made from them are available at Yarsley Technical Centre (YTEC), Trowers Way, Redhill, Surrey RH1 2JN (0737 85070).

A wholly owned subsidiary of the Fulmer Research Institute, YTEC was formed from the amalgamation of Yarsley Testing Laboratories and Yarsley Polymer Engineering Centre. It has a multi-disciplinary staff of 60, and can also call on the facilities of its parent company, Fulmer Industries.

Announcing the formation of YTEC, its chairman, Dr. W. E. Duckworth, said that a major cause of the decline of British industry in world trade is a relative failure to develop marketable new products. It has been generally recognised that there is considerable scope for improving the design of British products and the manufacturing processes used. It was his hope that industry would use YTEC's expertise to enable British products to become quality competitive in the world, instead of relying on a devalued pound to be price competitive.

## COMMUNICATIONS

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The hotel receptionist uses a numerical keyboard to key in room numbers to determine their status, shown on a central panel by means of red and green lights.

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cause of the decline of British industry in world trade is a relative failure to develop marketable new products. It has been generally recognised that there is considerable scope for improving the design of British products and the manufacturing processes used. It was his hope that industry would use YTEC's expertise to enable British products to become quality competitive in the world, instead of relying on a devalued pound to be price competitive.

### Data switch plans

THE Post Office says it has asked the U.K. electronics industry to provide information about packet switching equipment if Manchester—plus equipment to could supply in the event that the decision is taken to go ahead with packet switching.

An experimental service (EPSS) was formally started last April and is due to run "for two years or so."

If proposals for a public service are confirmed, tenders for international standards.

Such a service would be based on CCITT recommendations already adopted or proposed for use by international standards.

## CONTRACTS AND TENDERS

### INVITATION TO TENDER

#### IMMEDIATE MEASURES FOR 3 Districts Water Supply Schemes

—Part 1—Supply and Erection of Mechanical and Electrical Equipment

The Ghana Water and Sewerage Corporation (GWSC) Accra, Republic of Ghana, on behalf of the Government of Ghana and with the financial assistance of the Federal Republic of Germany, intends to proceed with the improvement of the water supply situation in AKIM ODA, AKIM SWEDRU, ACHIASI, KPEDZE, VANE and KWANYAKU.

The work includes:  
KPEDZE: Steel reservoir 50 m<sup>3</sup> (11000 g)  
AKIM ODA: Steel reservoir 200 m<sup>3</sup>, 4 submersible pumps 13-27 m<sup>3</sup>/h, 2 pressure filters 40 m<sup>3</sup>/h, oxidizers and air blowers

AKIM SWEDRU: Steel reservoir 100 m<sup>3</sup>, 2 booster pumps 18 m<sup>3</sup>/h, pressure filter 12 m<sup>3</sup>/h, oxidizer and air blower for 2 existing boreholes  
KWANYAKU: 2 booster pumps 90 m<sup>3</sup>/h, 80 m

For all localities: Pipework and accessories for the plants, switchboards and chlorine dosing plants. Fittings and accessories for the rising mains and the distribution pipes.

By the present tender, the GWSC is inviting qualified firms to submit quotations for the supply and erection of above materials. (The steel reservoirs and the fittings for the distribution pipes have to be supplied only.)

The firms which are interested may obtain further information and tender documents on payment of:

DM 200 each or the equivalent amount in Foreign Currency, at:

IGIP  
Ingenieur-Gesellschaft für  
Internationale Planungsaufgaben mbH  
Martin-Buber-Str. 50  
D-6100 DARMSTADT  
(Federal Republic of Germany).

Documents are available from date: 13.02.1978

Tender to be submitted not later than date: 05.06.1978

Completed tender documents should be submitted to the:

Managing Director of GWSC  
P.O. Box 184  
ACCRA—GHANA.

They will be deposited in the Tender Box in Rooms 403 and 404 on the 4th floor at the Headquarters of the GWSC in Accra. The tenders will be publicly opened on the same day at 14.00 hours.

### A CALL FOR TENDER FOR GRAIN DRIERS

Vojvodjanska Banka, Novi Sad, Yugoslavia, has received a loan from the World Bank, in various currencies, equivalent to U.S.\$75,000,000 towards the cost of the Second Agricultural Credit Project and intends to apply the proceeds of this loan to eligible payment under the contract for which this invitation to bid is issued. The contract to be concluded after international competitive bidding is for the supply of equipment for the construction of five grain driers with capacities between 25 and 30 tons per hour in the Socialist autonomous Province of Vojvodina. "Agrovojvodina" Export-Import, Novi Sad, Yugoslavia, representing the five basic organisations purchasing the driers, invites interested suppliers to participate in the procurement.

The tender documents will be available after the payment of:

—for the bidders from abroad U.S.\$500;  
—for the bidders from Yugoslavia Dinars 900;

to Agrovojvodina Export-Import, Bulevar 23 Oktobra 61, 21000 Novi Sad—Yugoslavia.

The payment for the release of the contract documents to be effected as follows:

—Foreign currency payment in favour of the account of Agrovojvodina Export-Import Novi Sad, no. of the account with Vojvodjanska Banka—Novi Sad, branch account 65700-620-219-257311.

—Payment in Dinars in favour of the account of Agrovojvodina Export-Import Novi Sad, number of the account 65700-601-9999 with SZB in Novi Sad, with the note for the release of contract documents.

The producers/suppliers from the member countries of EFTA and Switzerland have the right of participation in the international tendering.

The deadline for the bids acceptance, according to this advertisement is April 4, 1978, until 12.00 noon, and the public bids opening will be the same day at 12.00 noon local time in the premises of Agrovojvodina Export-Import, Bulevar 23 Oktobra 91, 21000 Novi Sad, Yugoslavia.











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### European American Bancorp and Subsidiaries

Chartered in New York  
Consolidated Statement of Condition  
December 31, 1977

#### ASSETS

Cash and due from banks	\$1,346,520,000
Investment securities:	
U.S. Government obligations	327,671,000
State and municipal obligations	241,245,000
Other securities	10,515,000
	579,431,000
Trading account securities	5,977,000
Federal funds sold and securities purchased under agreements to resell	135,274,000
Loans	3,055,174,000
Less:	
Unearned discount	23,569,000
Reserve for possible loan losses	32,705,000
	3,003,900,000
Premises, equipment and leasehold improvements, net	49,417,000
Customers' liability on acceptances	95,092,000
Excess of cost over fair value of net assets acquired, net	112,715,000
Other assets	74,026,000
Total assets	\$5,402,352,000

#### LIABILITIES

Due to customers:	
Demand	\$1,596,246,000
Savings and other time	1,031,710,000
Foreign offices	1,620,065,000
	4,248,021,000
Federal funds purchased and securities sold under agreements to repurchase	312,935,000
Borrowed funds and other indebtedness	54,831,000
Acceptances outstanding	105,837,000
Accrued taxes and other expenses	44,559,000
Other liabilities	10,982,000
Capital notes payable	95,000,000
Floating rate notes payable to shareholders	25,000,000

#### SHAREHOLDERS' EQUITY

Capital stock, \$100 par value:	
Authorized 700,000 shares	
Issued and outstanding 600,000 shares	60,000,000
Surplus	93,896,000
Undivided profits	41,541,000
Reserve for contingencies	4,750,000
Total shareholders' equity	200,187,000
Total liabilities and shareholders' equity	\$5,402,352,000

# Underground to Heathrow

By MICHAEL DONNE, Aerospace Correspondent

THE NEW £30m. underground railway link between the Central Area of Heathrow Airport and Hounslow West on the Piccadilly Line, which gears the airport into the entire London Transport underground railway network, is already proving a success, although it is not without some problems for passengers with much heavy baggage in the rush-hours.

The new "tube" link opened on December 16, when the final section between Hatton Cross on the south-east corner of the airport and the Central Area came into operation. At Heathrow Central, the station is linked directly with the three main passenger terminals by underground subways with moving walkways. A passenger can get from his aircraft through to any one of the stations on the London Transport network under cover all the way. In the rush hours, there are trains to Heathrow every four minutes, and every five to ten minutes at other times.

Before the opening of the link, London Transport estimated the trains would carry about 11m. to 12m. passengers a year, or roughly 30,000 a day. In the first few days, admittedly including the busy Christmas holiday, the average number using Heathrow Central station was 18,000 a day. It has since dropped back a little to about 15,000 or so, but the figure is still above LT's expectations, and it seems likely that, if the present steady growth in traffic is sustained, the 30,000-a-day mark may well be reached well before the end of this year.

It is too early for anyone, either LT or the British Airports Authority, to be able to say with precision what effect the tube link is having on other means of transport to and from the airport—buses, airport coaches, taxis or private cars.

### Car parking

Initial observation indicates little apparent change so far in the normal daily pressures on public car parking space in the Central Area, or in the volume of traffic moving through the road tunnels linking the area with the M4 motorway and the A4 Bath Road on the north side of the airport. Comments from passengers using the Tube link,

however, suggest that many of the travellers on it find it a comparatively simple-to-understand method of getting into Central London. Taxi-drivers do not openly admit to losing business of the sliding doors, there is a to the Tube, although some of the slightly wider space to allow for them must have done so. The baggage or standing passengers, various airlines continue to run but no other special arrangements are made for baggage Central London and the airport, stowage. There seems to be little



Passengers leaving the tube at Heathrow.

which continue to be well patronised, with no suggestions so far of cuts or suspensions. All this appears to indicate that many U.K.-originating travellers are still tending to use traditional methods of getting to and from the airport, such as car or taxi, especially if they have heavy baggage.

The principal problems complained to light are the difficulties experienced over baggage space in the carriages, and those of a number of heavily laden normal rush-hour commuters who find it hard on some occasions to get seats if they board at stations between Heathrow and inner London.

LT ordered 88 new trains at a cost of £41.2m. for the Piccadilly Line, especially to replace exist-

ing stock for the new link. The

carriages are longer than the earlier ones, so that each new stand, and convenient and cheap six-car train has a capacity method of getting into Central London. Taxi-drivers do not openly admit to losing business of the sliding doors, there is a to the Tube, although some of the slightly wider space to allow for them must have done so. The baggage or standing passengers, various airlines continue to run but no other special arrangements are made for baggage Central London and the airport, stowage. There seems to be little

### Heavy baggage

When confronted, before the opening of the link, with the argument about possible huge volumes of baggage, LT began to argue that it had been serving London's busy main-line termini for many years, carrying large numbers of passengers with heavy baggage, without significant delays or difficulties. With Heathrow however, things are different: "It is a busy terminal in its own right, at the end of the line, likely to put many hundreds of passengers time onto empty trains before the journey begins."

The baggage problem apart, there is little doubt that the tube link is already proving itself a valuable addition to Heathrow. Throughout the world, the most successful airports, for passengers at least, where the time taken to get from an aircraft through all the formalities and on to the home, or vice versa, is the shortest possible.

The combination of the tube way link and the underground passageways linking the terminal buildings will not in itself help to improve this time, but to the extent that it eases congestion and speeds travelling to and from the airport, it can be regarded as a major improvement. Already it seems clear that the tube link will eventually become an indispensable part of the airport's facility.

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Wigmore Hall

## Leonhardt

by RONALD CRICHTON

istav Leonhardt's harpist of the passion of French writers of the period for describing and analysing people. Some "characters" are anonymous, like "La Portuaise", full of almost Scatlatian Iberian colour. Commentators are mean with information about such music, and about the amount of musical portraiture the pieces really contain.

Leonhardt had prefaced Parqueray with a group by the Swabian-born internationally influential composer, Froberger, including a touching but not humourous "Tombau" in honour of a certain Monsieur Blanchard, who died from a fall represented by a downward scale. (Some harpists play scales as if they were offensive weapons: Leonhardt's are like shafts of light) and a lamentation for Froberger's beloved patron, the Emperor Ferdinand, who was represented in this II. The playing, perhaps over-obsessed with this death and grieving, went a little languishing (I forgot to mention a mildly affecting Biblical Sonata, by Kuhnau on the Death of Jacob), but after Froberger's character and a long interval, Mr. Leonhardt's inspired but somewhat self and his listeners with some, almost sprightly way. Bach—the "F" sharp minor is less grandly treated: the sounds tetchy, Cotten were they? quietly within. This implies correctly, the music is successfully with character, a reflection

erside Studios

## OdB by DOMINIC GILL

B means "zero decibels" or other words, for most of actual silence—which is a logical name for a new group who make a tape, at a very great deal of rate and free of charge, ing for the operator of a recorder or mixer with meters, OdB is the optimum point of no boost, no at which the signal is the signal-out, a one-to-one relation. Whether there is deep symbolism in all this, the name is a name, at least to some kind of involvement of the performers who make up group called OdB. Tim, the founder, plays tonic keyboards and synth, and Peter Britton, in ty of percussion and elctronics, only Tony wood, the drummer, plays instruments amplified, but igged.

B made their London debut hursday in the light, well-ed and attractive confines of a new Riverside Studios at London's Philharmonia, in a new concert theatre, y due to pick up a great Star Wars II. But Souster's talent deserves better than the dingy Round House. The name began unpromisingly as a curiously unidiomatic nt by Peter Britton of Riley's Dorian, and settles seriously to, surprisingly, on marimba

stival Hall

## Solti

heart was beating harder first half: warm, glowing Impres- sionist paintings lit with a glar- ing, white fluorescent light, the pas- sing procession in "Fotia" sound- ing more like a march to the scaffold than a wild revelry. It was left to the soloist Vladimir Ashkenazy to bring some depth and warmth into the evening's account of Bartok's Third Concerto, which was under- stood, and never content with surface brilliance. The chorale harmonies of the Adagio religioso and the angular rhythms of the first movement were phrased finely and pressed firmly into the piano keyboard; the result had a gravity and weight missing from the surrounding historicities.

NICHOLAS KENTON

## £125,000 gift

The trustees of the British Museum have announced a gift of £125,000 from the Wolfson Foundation for the reorganisation and exhibition of its large reserve collections of classical sculptures and inscriptions. The gift will enable the museum to create new exhibition rooms in the sculpture basements below the main classical galleries, scheduled to open in the early 1980s. The reorganisation will be named the Wolfson Galleries.

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Peter Eyre and James Hayter.

Haymarket, Leicester

## Crime and Punishment

by B. A. YOUNG

Strictly speaking, the Leicester Haymarket's Russian season is an Anglo-Russian season—no Maykovsky, no Arbuzov, but a new English adaptation of Dostoevsky's *Crime and Punishment* and an English version of Piscator's version of Tolstoy's *War and Peace* (to open March 17).

Robin Mideley's production of the Dostoevsky is set in a web of tubular scaffolding, designed by Adrian Vaux, where little scenes perch like rooks' nests in a wood. The narrative is cut into a mosaic of very short encounters, most of them dialogues. The effect is dream-like: we see only moments of dramatic climax without following the narrative passages that link them. Raskolnikov might be going over in his imagination the principal events to be considered when he finally surrenders to the police to confess the murder of the old pawnbroker and her sister. The dream-like atmosphere is underlined by the score of music

concrete composed by Chris Ellis and Martin Sadler, but somewhat reduced by the time needed to move from one location to the next, so marring the imaginative cross-cutting.

The main points of the narrative are clearly followed, the psychological motivation less so. Peter Eyre, a truly Dostoevskian figure to see, makes Raskolnikov less complex than his dialogue would have you believe. He is a poor, intellectual student with a desperate need for money to pay his rent. He has the morbid courage to kill Alyona with his axe; but there is nothing about him to suggest the Nietzschean obsession with power, even when he is actually speaking of it. It may be argued that in a dramatic version we should only see Raskolnikov as his friends and family see him; but how, unless we know the novel, are we to fill in the rest?

To some degree the same

Elizabeth Hall

## LaSalle Quartet

The complete string quartets of the Second Viennese School—Schoenberg, Berg and Webern—may not strike you as an obvious feast for the ear. It was the LaSalle Quartet, playing the Webern at a Salzburg Festival in 1960, who alerted me to the possibility; and they are offering the full menu on the South Bank. On Thursday the first concert consisted of Berg's so-called "Quartet", Webern's minuscule op. 9 Bagatelles and Schoenberg's immense First Quartet, with the rest to come in two March concerts. The arrangement is not quite chronological: though every body's "twelve-note" music goes into the March concert, Schoenberg's early, unnumbered Quartet in D, I wish very much that we were to have the late Trio instead, which is in all but literal truth his "Fifth Quartet". It is not easy to say just why this music sounds so beautiful in the hands of the LaSalle. Their collective sound is large, velvety and sustained—there is no pecking or scratching, and non-tonal as well as tonal harmonies are played with weight and precision. Their articulate structure subtly but decisively, which makes the music far easier to hear. Their balance is meticulously adjusted;

their cool style of playing helps that, though they allowed themselves plenty of romantic portamento for the Berg Quartet. In fact they brought out the dramatic master-plan of the latter with unusual power—one has been inclined to think it more tentatively shaped than Berg's contemporary Piano Sonata, and one was wrong. Phrased with incisive tenderness, this has an undercurrent of mature tragedy.

The wild tonal landscapes of Schoenberg's Quartet no. 1 were brilliantly illuminated and contrasted with the scherzo section almost Mahlerian-pastoral. The LaSalle stressed the speakers' contrapuntal lines more than the tonal functions which (often obliquely) guide the music, at some little cost to the symphonic pressure of the work; but other aspects of it were realised with sufficient intensity to keep the whole span magnificently aloft. As for the Webern Bagatelles, the LaSalle's unerring and delicate colouring, surely unmatched, achieved unearthly density for their tiny volumes. Such playing presupposes absolute technical security, so complete as to conceal itself completely. With the LaSalle to play him, Webern might have converted Stanford or Parry.

DAVID MURRAY

Wigmore Hall

## Benjamin Luxon

The first word which Benjamin Luxon sang to his audience on Saturday indicated the precise character which his recital of Schubert's *Winterreise* was to have. The word that opens the cycle is the repeated "Fremd", a stranger I came here, a stranger I depart." The musical tone was beautiful, the

emotional expression apt—but Mr. Luxon failed to convert the final d into a t, as a German speaker would.

Similar mispronunciations obtruded later, both in individual words ("Vogel" for instance, pronounced with an English and not a German initial) and in a general tendency for the unstressed e to lengthen its sound in such phrases as "Gute Nacht". It is not over-fussy for a critic to fasten on such details, since for a British singer the mastery of German lieder has to be an assimilation of poetic as well as musical style.

But when he has surmounted this obstacle, as he surely must, what a fine performance Mr. Luxon will give. Already he knows how to display the varied emotion of this Winter Journey without breaking the poet's intimacy. His vocal delivery, secure in both higher and lower ranges, never did violence to the musical rise and fall nor to the phrasing of the verse.

Best known as an operatic baritone at Covent Garden and elsewhere, Mr. Luxon was able to seize on the drama-in-miniature of *Der greise Kopf*, where the lover's poet is surprised that his hair has not turned white overnight. But at just a few points such as the exclamation of "Mein Herz!" at the end of Die Post, Mr. Luxon pushed too hard as though seeking an operatically grand statement which is not Schubert's.

He could have wished for no better partner at the piano than David Willison—a steady, eloquent, and not too reticent player, particularly skilled in his continuations of the singer's impetus after the voice had ceased. The musical devotion of both artists was the rare attention of a capacity audience.

ARTHUR JACOBS

Old Vic

## Saint Joan

by B. A. YOUNG

Prospect's production of *Saint Joan* grows better as it goes along. Though there is hardly a line in the play that does not move me either to tears or to laughter, I couldn't get along with those shouting soldiers and courtiers. Only when we left the court for the battlefield, where Dunois and his page were waiting kingfishers while they waited for the wind to change, did I begin to feel I was watching real people. I could communicate with—even when they esteem-porised bad verse.

With Warwick and Cauchon we are in the world of real men of intellect. Both parts are played with understanding by Geoffrey Palmer and Bernard Lloyd, as they exchange their legal and theological sophistries when they are really concerned only with politics; and in the background, like a Shakespearean clown, Rys Malvoisie, the Stomach, has under face like a crimson doughnut, the early ancestor of the National Front.

Better still, of course, the trial, where the dialogue reaches its heights and is faithfully followed there by the company. No one could have spoken the inquisitorial long opening speech better than Robert Addison, his face a white death-mask above his black

vestments, his whole personality in repose, barely a gesture made apart from an occasional meaningful glance towards the members of the court.

I was only a boy when I saw Sybil Thorneike as Joan; probably she moved me more than Eileen Atkins did, but I can't believe she gave a performance more true to the character. Miss Atkins has nothing about her of a simpleton; she never suggests, even in the final scene (which I always rather resent), any touch either of holiness or of soldierliness. She is an ordinary country girl, who might have been a nursemaid had not St. Margaret and St. Catherine told her to do something else. This adds enormously to the pathos of the trial scenes, where her invincible ignorance is as obvious as her belief in her mission. She is perhaps a little apt for a schoolgirl who has undergone so much interrogation, but this is a small point.

John Dove's direction, played on the simple designs by Robin Archer that enable the action to flow smoothly and fast, is above all else dignified. There is some beautiful playing in it of some of the smaller parts—Kenneth Gilbert's impatient Courtesies, for instance, David Shaughnessy's



Eileen Atkins

brother Martin Ladvenu, John Cording's La Hire. And as the Dauphin, Ronnie Stevens has caught exactly the childishness of the silly monarch surrounded by men of power who have no intention of allowing him any power of his own.

Theatre Royal, Stratford E.15

## The Hottest Bet in Town

by MICHAEL COVENEY

The scene of Andrew Angus Dalrymple's comedy is a betting shop in a Catholic district of Belfast on the day of a Protestant march. The regulars gather, O'Casey fashion, to place bets on the bigger themselves away while a two-man TV crew from the BBC rent Slattery's upper room to film the demonstration. Their patch is invaded by an IRA terrorist who claims that he has arrived on behalf of "the organisation" to observe the procession.

Although Sebastian Born's direction is bapheic and confusing, it is clear that Mr. Dalrymple is less interested in the callos manipulation by the newsmen of the atmosphere in a danger zone for peak-viewing consumption. Even if there were a hint of truth lurking within this cynical allegation, the argument is not helped by describing the newsmen in caricature terms. The front-man, Nigel Godfrey (Peter Robert Scott), is an oily buffoon forever on the telephone to Television Centre demanding more air time while his cameraman (Richard Albrecht) zooms in on the buxom

betting shop cashier (Margot Leicester) with minimal aplomb.

The terrorist is reported dead but is then resuscitated by the ministrations of a small, eccentric vet with a Groucho Marx pat. The play goes away as a fire, paradoxically enough, as the punters are united behind the fortunes of an outsider rump home ahead of the Queen's filly. The curtail is tantalisingly delayed by a steward's enquiry, but neither staging nor writing compares with a similar scene in Howard Brenton's *Epsom Downs*. The locals are sharply delineated

as the enter—the snivelling lavatory attendant, the argumentative old crone, the gambler priest—but they never develop as characters beyond providing a backdrop to the racing commentary.

The result is a laced scenario enlivened only by the odd spark of controlled comedy playing by John Halstead as Slattery and Tim Stern as the vet. Dr Seymour has designed a colourfully dilapidated betting shop with a convenient hatch in the blackboard for access to bets placed in the adjoining snug.

## Scottish Opera's 'Opera Go Round'

Scottish Opera has announced a major new development in the scope of its activities. A completely new company, "Opera Go Round", has been formed within the sponsorship of the Manpower Services Jobs Creation Scheme and provides full-time work for 11 people for an initial period of one year.

teen to the rural church hall, and Scottish Opera's hope is that they will attract and interest an entirely new audience. Opera Go Round has been formed with the sponsorship of the Manpower Services Jobs Creation Scheme and provides full-time work for 11 people for an initial period of one year.

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## Mr. Begin gets tough

THE ISRAELI GOVERNMENT has categorically rejected both the U.S. contention that Jewish settlements in occupied Arab territories are illegal; and that it has misled the American Administration about its intentions toward establishing new settlements. There is a serious danger now that this row will occupy the centre of the stage in Middle East negotiations. In the event of the U.S. being unable to persuade Israel to make some concessions on the principle of withdrawal, it could affect related crises like the fighting in the Horn of Africa.

President Sadat of Egypt has just completed talks with President Carter in the U.S. He went there openly dispirited that his initiative in going to address the Knesset in Jerusalem last November had not received a sufficiently substantive response from Israel. He left the U.S. feeling that Washington was now serious about trying to get the stalled political talks between Egypt and Israel restarted through negotiating with Israel a declaration of principles which would encompass the two key sticking points, of Israeli withdrawal from occupied territories and some form of self-determination for the Palestinians. Until the U.S. proves itself on these points, Mr. Sadat's mission will have failed, for he desperately needs something to persuade the other Arab States that he was working on a pan-Arab mission.

## Settlements

Israel's counters to Egyptian objections that settlements intrude on Egyptian sovereignty are based on three main points. One is that these settlements represent historical and religious Jewish areas which pre-date any modern regional conflicts. The second is that they are needed for security reasons. The third is based on technical arguments about who in modern historical terms is really entitled to call Sinai Egyptian or the West Bank Jordanian. But in addition there is underlying concern about the success Mr. Sadat had in the U.S. in persuading public opinion that he was sincere about wanting peace. Allied to this is the fear that this might lead the U.S. to conclude that its interests and those of Israel in the Middle East were not necessarily always in common. This in turn could lead the U.S. to bring direct pressure on Israel to withdraw. At this stage, characteristically, Israel is fighting the U.S. every inch of the way.

## Acting against secret cartels

THE NEWS that yet another batch of cartels are to be taken to the Restrictive Practices Court after having been operated undisturbed for several years has naturally prompted the suggestion that tougher penalties should be imposed for failing to register restrictive trading agreements, perhaps even to the point of making non-disclosure a criminal offence. The latest batch, which relate to the supply of tarmacadam for road surfacing, came to light only a few months after Press reports had led to the discovery of over 100 secret agreements in the concrete industry and after the Monopolies Commission had come across unregistered agreements involving diazo copying materials.

It is surprising, to say the least, that so many price rings and market sharing arrangements should be found operating in different industrial sectors more than 20 years after the first restrictive practices law was passed. In many instances in the past, the arrangements appear to have begun informally, often in the form of verbal understandings.

If it should transpire that secret agreements are being operated not in ignorance but in knowing contravention of the law, then there may be a strong case for considering banning outright practices like collusion, tendering and so make their operation a criminal offence. But to go further and make the non-registration of any restrictive agreement a crime would alter the whole stance of the restrictive practices legislation—at a time, moreover, when it is in process of being extended to commercial services. As matters now stand, the law does not say there should never be restrictive agreements: it says that if they are made they should be open for public examination and be submitted to the Court for approval. It is

Of Israel's arguments, the most compelling is the question of security. In military terms it is acknowledged that Israel would be able for many years to defeat any combination of Arab States. It is the psychological feeling of being a besieged Jewish State in an Arab area which needs to be catered for. Mr. Sadat in Jerusalem, and subsequently, has acknowledged this, and proposed devices ranging from demilitarised zones to early warning systems which technically could fill the bill.

What is required, however, is a trade-off. An open declaration by Israel of the principle of withdrawal and dismantling of some non-strategic settlements needs to be matched by an echoing acknowledgement on the Arab side that peace negotiations will be protracted, and that for that duration at least Israel will be able to have military camps of a security status.

## Constraints

At the same time as has to be accepted that Mr. Begin, unlike Mr. Sadat, is faced by electoral constraints. He has already come under heavy criticism from members of his own party for apparently weakening on his position. Just after his taking office, that Jews were entitled to settle anywhere in the historical homeland. Mr. Begin has been remarkably successful in turning a narrow victory in the elections into overwhelming support for policies which have been popular because of their incisiveness and their appeal to basic Israeli historical and religious instincts. But what he has so far failed to demonstrate is an ability to lead his followers—notably the religious extremists the Gush Emunim—into accepting unpopular decisions about withdrawal, or about the Palestinians.

The fact that Mr. Begin has so far shown no such inclination emphasises the point that the U.S. has yet to be fully decisive in its approach. So far Mr. Carter has been skilful in comforting Mr. Sadat and persuading him to trust U.S. intentions. But if Mr. Sadat's initiative is not to collapse or become a sideshow to a dispute between Washington and Jerusalem, with potentially disastrous effects both in the region and in Africa, the U.S. Administration will have to show a far tougher face to Israel than it has dared hitherto. It is still not clear that Washington is aware of the consequences of failure.

## Bananas, and the nub of EEC policy on free competition

BY GUY DE JONQUIERES, Common Market Correspondent

OF ALL the new obligations which Britain took on when it joined the Common Market, few have recently aroused as much uncertainty as the rules which EEC competition policy imposes on business conduct. Partly because it was presented in a rather one-sided way in the U.K., the European Commission's decision a few weeks ago to outlaw the Distillers Company's dual pricing system for marketing Scotch whisky and other spirits seems to have added to the confusion. Many British businessmen must have been left wondering which other seasoned business practices would be the next target of a thunderbolt from Brussels.

There seems to be an impression that the Commission specifically ordered Distillers to raise its Scotch prices in the U.K. That is not so. What the company was required to do was to end its practice of charging the same British wholesale customers a higher price for spirits destined for export to other parts of the EEC than those for domestic sale. The Commission hoped that the company would respond by cutting export prices. But Distillers chose to do this only for spirits other than Scotch.

It is important to recognise that the Commission was not concerned with the absolute level of Distillers' prices. Its case hinged on the fact that Distillers was operating a discriminatory pricing policy within the Common Market. Rejecting the company's argument that such a policy was necessary to protect export markets in the EEC, the Commission ruled that it amounted to a restriction on the free movement of goods and hence a distortion of competition.

## Restrictive practices

The concept of maintaining and strengthening a single, common market lies at the centre of the EEC's competition policy. The authors of the treaties recognised that it was not enough to dismantle government-sanctioned barriers to trade between member countries. It was necessary also to ensure that the benefits of this liberalisation were not undermined by restrictive private business practices.

The common market is, of course, far from being complete in many respects but as a general rule the Commission does not accept that the persistence of differences in trading conditions between member countries is in itself a justification for business practices which, in its view, place restrictions on free competition.

Enforcement of competition policy is one of the few areas where the Commission may act autonomously without prior approval by national govern-

ments, though its decision may be altered or voided by the European Court of Justice on appeal. Its authority stems primarily from Articles 85 and 86 of the Rome Treaty, which deal respectively with restrictive arrangements between enterprises and with abuse of a dominant position. The older Paris Treaty also gives it specific powers over competition, including mergers, in the coal and steel industries.

The Commission's resources to carry out these duties are extremely limited. Its competition department, under Commissioner Raymond Vloeberghs, employs only about 60 anti-trust specialists. By contrast, there are roughly 3,000 working full-time for the Federal anti-trust agencies in the U.S., which are charged with policing a similar-sized market. The Commission is therefore constrained to take a highly selective approach, concentrating its efforts where they are likely to have maximum impact.

Anyone may alert the Commission to possible violation. Sometimes the information is supplied voluntarily by the companies involved, sometimes by aggrieved competitors and sometimes through monitoring of business developments through the Press. Though the Commission is bound to investigate all alleged offences which come to its attention (and has legal powers to compel disclosures) only a few are pursued to the point where a formal "decision" is issued, prohibiting a violation and sometimes also imposing a fine if the company is found guilty. In 1976, fewer than 40 decisions were issued but almost 400 cases were settled informally after companies agreed voluntarily to terminate offending practices.

Until quite recently, Article 85 formed the basis for the great bulk of competition cases brought under the Rome Treaty. It prohibits in principle any agreement or concerted practice between companies in the EEC which "are likely to affect trade between member states and which have as their object or result the prevention, restriction or distortion of competition within the Common Market". Specifically, it outlaws price-fixing, control of production, markets, technical development and investment as well as market sharing and fixing unfair or unequal conditions for the supply of goods and services.

The rules do not apply, however, to business practices which do not affect trade or distort competition inside the EEC. For example, cartels formed only for exports outside the Nine are normally beyond the reach of the law, though it is applicable to operations inside the EEC of companies with headquarters outside the community. Moreover, the policy actively encourages sole distribution agreements and joint ventures in

## WHAT THE TREATY SAYS ABOUT COMPETITION TWO KEY ARTICLES

## Article 85

1. The following shall be prohibited as incompatible with the common market: all agreements between undertakings, decisions by associations of undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the common market, and in particular those which:

- directly or indirectly fix purchase or selling prices or any other trading conditions;
- limit or control production, markets, technical development, or investment;
- share markets or sources of supply;
- apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;
- make the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

2. Any agreements or decisions prohibited pursuant to this Article shall be automatically void.

3. The provisions of paragraph 1 may, however, be declared inapplicable in the case of:

- any agreement or category of agreements between undertakings;
- any decision or category of decisions by associations of undertakings;

—any concerted practice or category of concerted practices which contributes to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit, and which does not:

- impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives;
- afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question.

## Article 86

Any abuse by one or more undertakings of a dominant position within the common market or in a substantial part of it shall be prohibited, as incompatible with the common market in so far as it may affect trade between Member States. Such abuse may, in particular, consist in:

- directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;
- limiting production, markets or technical development to the prejudice of consumers;
- applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;
- making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

fields such as research, advertising or book-keeping where these benefit the public interest.

The Treaty provides for exemptions from Article 85, both for general categories of agreement and for specific instances, and companies may ask the Commission to pronounce on whether a particular agreement qualifies. There is also a blanket exemption for restrictive agreements between small businesses with a combined turnover of up to £21m. and a market share of less than 5 per cent. Medium-sized companies also enjoy a dispensation for certain types of joint specialisation agreements.

The logic here is that such companies are too small to have an appreciable effect on competition. In the application of the rules, the Commission also holds the inverse of this principle to be true: that is, the bigger and stronger a company is, the greater its responsibility to avoid restricting trade and distorting competition. This principle is particularly relevant to cases brought under Article 86, which deals with abuse of a dominant position.

A classic case in this field was brought in the early 1970s against Commercial Solvents—a U.S. company which exercised a *de facto* world monopoly in the production of an ingredient essential to the manufacture of

an anti-tuberculosis medicament, competitors from entering the market. When Commercial Solvents decided to start manufacturing the medicament themselves it abruptly halted supplies of the ingredient to several of its customers. The Commission ruled that this refusal to sell, which was likely to force competitors out of the market place, was an offence under Article 86.

The facts of that case were fairly clear cut. But how strong must a company's position be to be considered dominant? And which criteria determine what is a "relevant market"? These are two of the important questions raised by the case of United Brands, which was fined the equivalent of more than £400,000 in 1975 after the Commission decided that the U.S. company had abused its commercial power by selling its Chiquita brand bananas at high prices in some EEC countries while charging substantially less in others.

The world's largest seller of bananas, United Brands holds about 40 per cent. of the EEC market—not a conclusive monopoly. But the Commission argued that its sheer economic muscle, derived from ownership of plantations and a large shipping fleet as well as from tight control over promotion, gave it the power to block effective competition and inhibit potential

competitors from entering the market.

United Brands has appealed to the European Court, which is due to rule to-morrow. Among other things it has challenged the Commission's contention that the market for bananas can be considered as an entity on its own, arguing that they face competition from other fruit. The case is significant, too, because it is the first time that the Commission has decided that an absolute level of price is "unfair". Though the Competition Department has said that it does not seek to become a European price commission, its authority to intervene more directly against corporate pricing policies could be significantly strengthened if the Court upholds this crucial aspect of its decision.

Merger control is another field in which the Commission has sought a bigger role. So far, it has established only very narrow rights to intervene in mergers, and for the past few years it has been pressing for authority to vet in advance all takeovers above a certain size. But so far, EEC Governments have been unable to agree even on a threshold level. The Commission wants control over all concentrations involving companies with combined sales exceeding about £400m.

Italy has objected that would be placed at a disadvantage because it has not so enjoyed the kind of mania boom that has already taken place in several other countries. Britain, on the other hand, wants to widen criteria applied by the Commission to include factors such as employment. But Germany, which believes that the criteria should be restricted to factors of economic competition, is enthusiastic about this.

In general, lawyers who deal with the Competition Department give it high marks for integrity and fairness. But there are complaints that it has been too slow to pronounce on the legality of business agreements on which it had been asked for a ruling under Article 85. Notification of some of these agreements was given to Brussels as long as 15 years ago.

More recently, the Commission has begun to voice its views on some kinds of business agreement which it has previously approved under Article 85. This is clearly an unsettling tendency. Lawyers fear that it will undermine the validity of professional opinions which they have given to clients who have been granted such clearances.

The Competition Department has justified such revisions on the grounds that anti-trust law is constantly evolving. But is it evolving rapidly enough? After all, the original rules were drawn up in a climate of thriving free enterprise, but the structures of many European economies, and hence competitive conditions, have been altered by the steady expansion of the public sector. Yet the Department has so far conspicuously failed to open anti-trust proceedings against any major public enterprise or nationalised industry. The main reason has been quite plain: the fear that however good the case, it would risk being engulfed in the political arena.

Another factor which the Department has had to take into account has been the prolonged recession, and the particularly damaging consequences this has inflicted on industries like steel, textiles and shipbuilding. In these sectors, the Commission's industry directorate is actively encouraging efforts to reduce capacity while backing trade restrictions to shield EEC producers from low-cost third-country competition. Competition experts in Brussels acknowledge that this phenomenon presents at least a potential problem but maintain that for the moment it is more apparent than real. They insist that the industrial anti-crisis measures drawn up so far are compatible with the law as it stands. But it is clear that EEC competition policy, like the Common Market itself, is incomplete in some important respects.

## MEN AND MATTERS

## Taking care of number one

Once upon a time the in-thing for the neurotic American rich was to build an all-mod-con atom bomb shelter for self and loved ones. Now, in the wake of transatlantic kidnappings in Italy, and lately, and most spectacularly, with Baron Empain in France, the New York corporate executive who has everything is spending a fortune on kidnap protection.

America's intelligence services have let it be known that they expect 1978 to be the city's worst ever for bombings, kidnappings and sabotage. As a result, demand has suddenly tripled for personal protection that ranges from \$50 an hour ex-FBI bodyguards to fortified homes.

Many New York top executives are trading in their beloved Cadillacs for less distinguishable Pontiacs and Buicks—the difference being that the latter are being armoured at a cost of nearly £20,000 each.

Some families have reportedly spent £25,000 or more on personal protection. A big chunk of that has gone into bomb-proofing the walls and roofs of their houses and construction of "safe" rooms in the middle of the home which are proof against everything from hand grenades upwards. Their cars are being fitted with James Bondish devices that scatter tacks on the road, together with gunports and tear gas canisters. Electronic devices which can remotely monitor a car's safety from a quarter of a mile away are selling like hot cakes at £100 a time, as are bullet-proof undershirts and briefcases at similar prices.

One top man living in plush Westchester County has spent close to £150,000 on a computer system that checks every movement at every window and door

in his 38-bedroomed house and also picks up movements in the driveway. He also has a 30-man guard force and three vicious dogs, says Fred Rayne, boss of Rayne International which specialises in supplying "defence systems" for both individuals and multi-national companies.

That, I must say, sounds a little exaggerated. But these things have a logic all of their own, as I was reminded recently by a cartoon in Punch. It showed a fat Italian businessman wooing a buxom young lady over lunch. The punch line was: "Tell me, Mr. Bertelli, if you're so rich and powerful, how come you haven't been kidnapped?" That's status for you.

## Autobahn mania

Back in the 1930s wide-eyed apologists for the Nazi and Fascist regimes in Germany and Italy used to point to Mussolini's success in making the trains run on time and Hitler's patronage of the Autobahn building programme as examples of the achievements made possible by totalitarian regimes.

The latest edition of Transport Return, the monthly digest of transport news put out by the pro-rail and anti-juggernaut Transport 2000 pressure group, recalls those days with a tongue-in-cheek report of the 1938 visit to Germany by 225 county councillors, surveyors and MPs organised by the British Road Federation.

During their eight days as guests of Dr. Fritz Todt, the Inspector General of Highways, only three were spent actually inspecting the famous Autobahns. The other five were taken up with a visit to the Munich Oktoberfest, trips to Berlin to witness the "historic meeting" between Hitler and



"It's an ill wind..."

Mussolini, receptions, lunches and the like.

When the delegation got back home, however, it reported how impressed its members were by the "greatness and thoroughness" of the German approach. It also found that when it came to purchase of the necessary land "it transpired that 98 per cent. of the farmers voluntarily agreed to a sale."

To their considerable chagrin the lobbyists for the motor and cement industries who had helped organise the trip, met considerable official scepticism in Whitehall about the virtues of building expensive motorways given existing traffic levels. As the then Transport Minister Leslie Burgin put it: "The concept of building a road because it may bear traffic in the future is a novel one."

This scepticism did not prevent the County Surveyors Society putting forward their proposals for a 1,000 mile motorway network in Great Britain which looks very similar to the network which is now being completed, 40 years later. In the event Hitler's Autobahns proved of more use to the allied advance than to the

petrol-starved defenders of the Fatherland. On the other hand it would take some fairly nimble figure-juggling to prove that waiting until the existing roads were completely clogged up before finally starting to build motorways in the 1950s was anything else than short sightedness of epic proportions.

## Heads you win

Are share analysts fooling themselves and wasting everybody else's time and money into the bargain? The answer is, in many cases yes, according to a study made by a U.S. computer company called Computer Directions and Advisers published in the latest edition of the City Press.

It appears that Computer Directions made 100 random selections of 25 shares from the 500 listed by Standard and Poors.

These totally chance (picked out of a hat), portfolios were then monitored and showed an average gain of 3 per cent. and a maximum gain of 20 per cent. during 1977 when the S and P index as a whole dropped by over 7 per cent. Only one portfolio apparently did worse than the index, while over three years it appears that the average gain by these random portfolios was 130 per cent. while the index rose less than 60 per cent.

Could this be what Adam Smith had in mind when he talked about the benefits of the invisible hand?

## Tall story

Heard in a City boardroom: "The chairman is very depressed this afternoon—according to his height and weight chart he ought to be six inches taller."

Observer

## How to increase the value of your legacy?

You must naturally be concerned to ensure that your request achieves the maximum benefit, and that it is not eroded by inflation.

Help the Aged shares your concern and does a great deal to meet it.

First, the charity mobilises hundreds of devoted volunteers at home and abroad—including retired people with special skills. They enable us to achieve much with every £1 entrusted to us.

Then we place great importance on taking the initiative and helping self-help work—to build Day Centres where old people find friendship, Work Centres for those intent on keeping active, Feeding Centres for the hungry overseas, and Day Treatment Hospitals here in Britain.

Among the well-known people who endorse the value of a legacy to Help the Aged are Lord Shawcross, Lord Gardiner (the charity's president), Dame Vera Lynn and General Sir Brian Horrocks.

Write or phone for interesting and helpful booklets on making wills, and on reducing the impact of Capital Transfer Tax (Estate Duty). Free on request from The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room F121, 32 Dover Street, London W1A 7JZ. Telephone: (01) 499 0972.

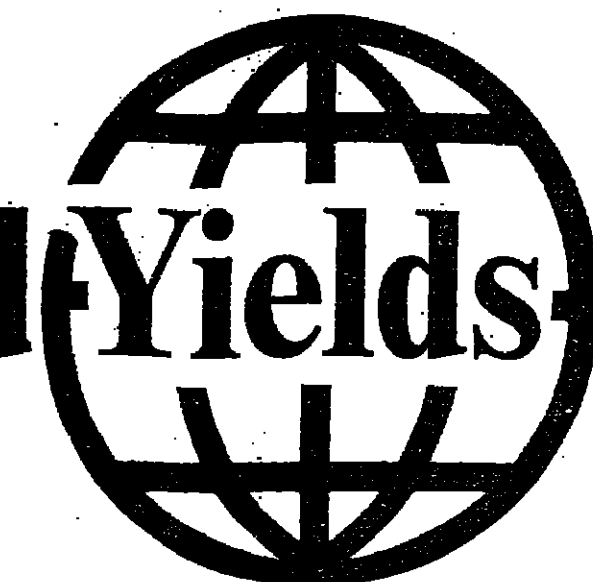
مكتبة النحل



FINANCIAL TIMES

## Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF  
INTERNATIONAL BOND DEALERS

At 31st JANUARY, 1978

The Association of International Bond Dealers' (AIBD) compile current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields

are compiled from quotations obtained from market-makers on the last working day of each month: there is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone

between dealers scattered across the world's major financial centres. Membership of the AIBD, which was established in 1969, comprises over 450 institutions from about 27 countries. A key to the tables is published opposite.

## Eurobonds in January

BY MARY CAMPBELL, Euromarkets Editor

Throughout January, investors remained considerably interested in bonds issued in other currencies.

Fields on D-mark bonds continued to despite continuing large-scale issue time.

In the Swiss franc sector, the momentum of foreign bond issues, offering premiums of 5 per cent above offering prices immediately after the continued. This was despite a her fall in the coupon level to 4 per cent for prime borrowers—an extremely level by comparison with anything but the Swiss inflation rate.

Among other sectors of the bond market, the successful launching of two new sterling issues suggested that, provided there is neither a fall in sterling nor other currencies nor a rise in interest rates, the sterling market

may after all feature significantly in the future. Yes bond issues continued at a steady pace. A new unit of account issue went so strongly that the coupon could be cut in midstream.

All this was in sharp contrast to the situation in the dollar sector—whether in New York or abroad. The best that could be said for the Eurodollar bond market was that it ended the month firmer than it began, helped forward by a technical reaction in the secondary market, some stabilisation in dollar interest rates and a general fall-off in new issue activity.

It could also be said that a not insubstantial volume of new capital was raised in January—\$340m. in straight Eurobond issues. However, it was thought that only a small proportion of these issues has actually reached investors and that much remains in the pipeline.

The most interesting developments in

the dollar sector during January were technical. In particular, a new technique for handling the after-market was introduced by Union Bank of Switzerland (Securities) in the case of the two-tranche offering for the European Investment Bank which was priced in mid-month.

In general the way that lead managers handle the after-market in weak market conditions is based on the assumption that they will take buy back the loose bonds which inevitably circulate at some kind of discount from the offering price, but not usually at below the price paid by selling group members.

What UBS did was to say that it would buy back bonds only from those who had subscribed for them. The significance of this was that it destroyed dealers' ability to offload surplus bonds anonymously via third parties.

Anxious not to lose their place in future UBS issues, dealers effectively ended up for once sitting on their hands—at some considerable cost. Although on occasional basis they can well afford to do so, the fear was that if such a technique were to be adopted by several

issue managers then the profitability would be considerably lessened for the smaller institutions.

In practice, other major lead managers all say that they would have no intention of following the UBS example on this question, while the lack of new issues in the latter half of January considerably eased the pressure so that the storm has now effectively blown over.

The rebirth of the sterling market came as a considerable relief to London issuing houses. The market reopened in good style with two successful issues, one for the European Investment Bank and the other for the British company Rowntree Macintosh. Although the expectation of a series of new issues in quick succession dampened the secondary market enthusiasm for sterling bonds somewhat, in general prospects are good.

The yield basis for the sterling market has now been firmly established in relation to domestic government bonds: even triple-A borrowers like the EIB will have to pay marginally more than the British government on an issue of comparable maturity with gradations according to quality going up from there.

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The table of quotations and yields gives the latest rates available on 31st January 1978. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete. All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

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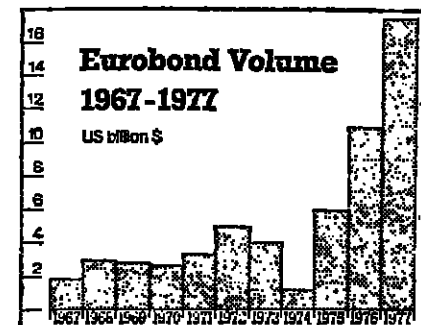
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ISSUED/ESTIMATED D'S (MND)	YEAR OF ISSUE/ISSUE PRICE	BORROWER/COUPON MATURITY	PRICE	YIELD TO MATURITY/YIELD TO AVERAGE LIFE	CURRENT YIELD	NEXT CALL PRICE/NEXT S/FAMOUNT	NEXT CALL DATE/FIRST S/F DATE	SECURITY/TYPE OF COLLATERAL	LEAD MANAGER	MARKET MAKERS
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## US DOLLARS-ALGERIA

25.00	1979	ALGERIE REP. 100.00	97 1/2	4.34	9.68	9.23	102.00	1978	REP. 516 213 230 927	
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## US DOLLARS-AUSTRALIA

25.00	1979	ALCAN AUSTRALIA 100.50	96 3/8	11.20	8.98	8.80	101.50	1988	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-AUSTRIA

25.00	1979	AUTONOMIE REP. 100.00	102 3/8	3.83	9.38	9.19	100.50	1978	REP. 456 105 937 533 941 960 975	
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## US DOLLARS-BELGIUM

25.00	1979	BELGIUM REP. 100.00	98 3/8	12.17	9.45	9.40	100.00	1978	REP. 456 105 937 533 941 960 975	
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## US DOLLARS-BENELUX

25.00	1979	BENELUX REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-BRITAIN

25.00	1979	BRITAIN REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-CANADA

25.00	1979	CANADA REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-DENMARK

25.00	1979	DENMARK REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-FRANCE

25.00	1979	FRANCE REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-GERMANY

25.00	1979	GERMANY REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-ITALY

25.00	1979	ITALY REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-JAPAN

25.00	1979	JAPAN REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-NETHERLANDS

25.00	1979	NETHERLANDS REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-NORWAY

25.00	1979	NORWAY REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-PORTUGAL

25.00	1979	PORTUGAL REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-SPAIN

25.00	1979	SPAIN REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-SWEDEN

25.00	1979	SWEDEN REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-SWITZERLAND

25.00	1979	SWITZERLAND REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-TURKEY

25.00	1979	TURKEY REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-UNITED STATES

25.00	1979	UNITED STATES REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-YUGOSLAVIA

25.00	1979	YUGOSLAVIA REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-ZAMBIA

25.00	1979	ZAMBIA REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-ZIMBABWE

25.00	1979	ZIMBABWE REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-ALGERIA

25.00	1979	ALGERIE REP. 100.00	97 1/2	4.34	9.68	9.23	102.00	1978	REP. 516 213 230 927	
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## US DOLLARS-BRITAIN

25.00	1979	BRITAIN REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-CANADA

25.00	1979	CANADA REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-DENMARK

25.00	1979	DENMARK REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-FRANCE

25.00	1979	FRANCE REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-GERMANY

25.00	1979	GERMANY REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-ITALY

25.00	1979	ITALY REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-JAPAN

25.00	1979	JAPAN REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-NETHERLANDS

25.00	1979	NETHERLANDS REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-NORWAY

25.00	1979	NORWAY REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-PORTUGAL

25.00	1979	PORTUGAL REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-SPAIN

25.00	1979	SPAIN REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-SWEDEN

25.00	1979	SWEDEN REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-SWITZERLAND

25.00	1979	SWITZERLAND REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-TURKEY

25.00	1979	TURKEY REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-UNITED STATES

25.00	1979	UNITED STATES REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-YUGOSLAVIA

25.00	1979	YUGOSLAVIA REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-ZAMBIA

25.00	1979	ZAMBIA REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-ZIMBABWE

25.00	1979	ZIMBABWE REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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ISSUED/ESTIMATED D'S (MND)	YEAR OF ISSUE/ISSUE PRICE	BORROWER/COUPON MATURITY	PRICE	YIELD TO MATURITY/YIELD TO AVERAGE LIFE	CURRENT YIELD	NEXT CALL PRICE/NEXT S/FAMOUNT	NEXT CALL DATE/FIRST S/F DATE	SECURITY/TYPE OF COLLATERAL	LEAD MANAGER	MARKET MAKERS
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## US DOLLARS-ALGERIA

25.00	1979	ALGERIE REP. 100.00	97 1/2	4.34	9.68	9.23	102.00	1978	REP. 516 213 230 927	
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## US DOLLARS-AUSTRALIA

25.00	1979	ALCAN AUSTRALIA 100.50	96 3/8	11.20	8.98	8.80	101.50	1988	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-AUSTRIA

25.00	1979	AUTONOMIE REP. 100.00	102 3/8	3.83	9.38	9.19	100.50	1978	REP. 456 105 937 533 941 960 975	
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## US DOLLARS-BELGIUM

25.00	1979	BELGIUM REP. 100.00	98 3/8	12.17	9.45	9.40	100.00	1978	REP. 456 105 937 533 941 960 975	
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## US DOLLARS-BENELUX

25.00	1979	BENELUX REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-BRITAIN

25.00	1979	BRITAIN REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-CANADA

25.00	1979	CANADA REP. 100.00	101 3/8	5.08	8.11	9.37	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-DENMARK

25.00	1979	DENMARK REP. 100.00	99 1/4	4.83	8.43	8.31	100.00	1981	REP. 599 105 135 218 305 625 530	
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## US DOLLARS-FRANCE

25.00	1979	FRANCE REP. 100.00	101 5/8	3.50	8.46	9.10	100.00	1979	REP. 412 105 305 320 527 941 960	
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## US DOLLARS-GERMANY

25.00	1979	GERMANY REP. 100.00	101 3/8	5.08	8.11	9.37
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Manager Securities Trading Department: Karl VOMACKA, Tel.: 72 94 760, Telex: 13 85 - Deputy Manager, Eurobond Dealer: Manfred LILL, Tel.: 72 94 772  
 Telex: F-3195 - Eurobond Dealer: Herbert ST.ENDORFER, Tel.: 72 94 675, Telex: 13 85 - Austrian Schillingbonds Dealer: Herbert PIERINGER, Tel.: 72 94 572  
 Telex: 13 95 - Manager New Issue Syndication: Peter NOWAK, Tel.: 72 94 634, Telex: 13 915



[illegible]

ISSUES/ ESTIMATED CASH/NO	BORROWER/ COUPON MATURITY	PRICE	LIBOR/ ANNUAL YIELD	YIELD TO MATURITY BASED ON CURRENT CUMULATIVE	NET CALL PROBS NEXT 90 DAYS	NET COLLATERAL VALUE	ACQUISITION COST	MARKET MAKERS
YEARS/COUPON /BUYER PRICE								
30.00 1972 ARIZONA INT FTS	99 7/8 10.67	8.75	6.75	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.75	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1971 ARIZONA INT FTS	100 3/8	8.50	6.50	100.00	1978 10	385	105	335 945 950
17.00 100.00	8.50	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
60.00 1977 ARIZONA INT FTS	99 7/8 10.67	8.75	6.75	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.75	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1972 B.I.C. INT	99 3/8	8.25	6.25	100.00	1978 10	385	105	335 945 950
18.25 99.50	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1977 BASILEVA BANK INT	99 3/8	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1971 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
37.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77	1978 10	385	105	335 945 950
30.00 1976 BASILEVA BANK INT	99 1/4	8.25	6.25	100.00	1978 10	385	105	335 945 950
30.00 100.00	8.25	10/1/1980	6.17	8.77				



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## Japanese Straight and Convertible Eurobonds

Field: 10 Feb. 1

(A wholly-owned subsidiary of The Industrial Bank of Japan Limited)

is pleased to announce that from

FEBRUARY 1978

we will be making markets in

## Japanese Straight Eurodollar and Euro-Yen Bonds

### Selected Eurodollar Bonds

IBJ	8½	1981	Hitachi Ship	7½	1984	Nippon Mining	7½	1983
IBJ	9½	1980	L.T.C.B.	8½	1981	Nippon Steel	9½	1980
IBJ	9½	1982	I.H.I.	7½	1982	Orient Leasing	8½	1984
IBJ FRN	7	1982	Mitsui Eng	8½	1983	Toray	7½	1984
IBJ FRN	7.69	1982	Mitsui Petrol	8	1984	Toyo Menka	7½	1982
BOT	7½	1984	Nippon Fudosan	7½	1982	Y.S. Line	7½	1984

## Euro-Yen Bonds

I.B.R.D.	6½	1984	E.I.B.	7½	1984
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Telephone: 01-236 0551 - Telex: 883411 IBJINT - Reuters Symbols: IBJA IBJB

**Bucklersbury House, 3 Queen Victoria Street, London EC4N 8HR**

**10 Chesterfield Street, London, W.1.**

**Tel: 01-493 1239 or 01-491 4774**

**Telex 8811055**

## JAPANESE DOLLAR DEPOSITARY RECEIPTS

<b>Names</b>	<b>Close at 10/2/78</b>	<b>Names</b>	<b>Close at 10/2/78</b>
<b>DAIWA SEIKO</b>	<b>\$1.75</b>	<b>NIPPON CHEM. CON.</b>	<b>\$2.50</b>
<b>HONDA</b>	<b>\$23½</b>	<b>PIONEER</b>	<b>\$12.00</b>
<b>ITO YOKADO</b>	<b>\$52¼</b>	<b>Q.P. CORPORATION</b>	<b>\$2.65</b>
<b>JUSCO</b>	<b>\$50½</b>	<b>RENOWN</b>	<b>\$2.40</b>
<b>KOMATSU FORKLIFT</b>	<b>\$2.25</b>	<b>RHYTHM WATCH</b>	<b>\$2.03</b>
<b>KONISHIROKU</b>	<b>\$2.00</b>	<b>SONY</b>	<b>\$7.75</b>
<b>KUBOTA</b>	<b>\$22¾</b>	<b>STANLEY ELECTRIC</b>	<b>\$2.30</b>
<b>MAKITA</b>	<b>\$26¼</b>	<b>TAISHO MARINE</b>	<b>\$10¼</b>
<b>MURATA</b>	<b>\$2.40</b>	<b>T.D.K.</b>	<b>\$6.50</b>
<b>NICHII</b>	<b>\$5.22</b>	<b>TOKYO SANYO</b>	<b>\$1.02</b>
<b>NIPPON MEAT</b>	<b>\$2.56</b>	<b>TRIO</b>	<b>\$22¼</b>
		<b>WACOAL</b>	<b>\$16¾</b>

**Slavenburg  
Oyens &  
van Eeghen nv**

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...the ...

**Market Maker 609 in Eurobonds.**  
The following are mid-market Quotations  
& Yields in Recent Guilder issues.

**10th February, 1978.**

	Price	Yield
8% Bk. Néd. Gem. 77/88/2000/2	98.70	8.14
7½% Government 77/78/97	98.20	8.01
8% Government 77/78/87	101.40	7.64
7½% Nat. Nederlands 77/78/87	98.90	7.70
8% Amro 77/78/87	100.40	7.90
7½% Rabo 77/78/87	99.00	7.96
8% Pierson 77/78/87	98.20	7.90
8% Slavenburgs 77/78/87	100.70	7.78

## Domestic Stock

BORENTO 130.20

(One of the Amsterdam Stock Exchange's most actively traded stocks).

...and the fact that the *Journal* is a journal of the American Psychological Association, the largest and most influential organization in the field of psychology, adds to the impact of the *Journal* on the field of psychology.



ISSUED/ ESTIMATED D.A.M.O.	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	NET CALL PRICE/ NET YIELD	NET CALL DATE/ FIRST PAY DATE	SECURITY GUARANTEE/ LEAD MANAGER	MARKET MAKERS
30.00	1974	COMMONWEALTH BANK	122	11.00	1.09	6.35	100.50	1979	180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	
30.00	100.00	7.75 1/17/1980		5.39	5.90		50	1977	180	
30.00	1976	COMMONWEALTH BANK	95 3/8	5.70	6.06	7.32			180 185 405 407 409 415	



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هكذا من الأصل

NEW ISSUE

January 25, 1978

**KOMMUNLÅNEINSTITUTET**  
**AKTIEBOLAG**  
 (Municipal Financing Company)

12,000,000 European Units of Account  
 7¾ % 1978 - 1993 Bonds

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Skandinaviska Enskilda Banken      Kredietbank S.A. Luxembourggeoise  
 PKbanken      Svenska Handelsbanken      Göteborgen  
 Algemene Bank Nederland N.V.      Westdeutsche Landesbank Girozentrale  
 Deutsche Girozentrale - Deutsche Kommunalbank -

---

The Bonds have been subscribed and offered for sale by

A.E. Arnet & Co. <small>Luxembourg</small>	Amsterdam-Rotterdam Bank N.V. <small>Luxembourg</small>	Andresens Bank A/S <small>Luxembourg</small>	Arab Finance Corporation S.A.L. <small>Luxembourg</small>
Banca Commerciale Italiana <small>Luxembourg</small>	Banca del Gottardo <small>Luxembourg</small>	Banco Ambrosiano <small>Luxembourg</small>	Banco di Roma per la Svizzera <small>Luxembourg</small>
Bank Brussel Lambert N.V. <small>Luxembourg</small>	Bank Gutzwiller, Kurz, Bungenier (Overseas) <small>Luxembourg</small>	Bank of Helsinki Ltd. <small>Luxembourg</small>	Bankers Trust International <small>Luxembourg</small>
Bank Arabie et Internationale d'Investissement (B.A.I.I.) <small>Luxembourg</small>	Banque Française du Commerce Extérieur <small>Luxembourg</small>	Banque Générale du Luxembourg S.A. <small>Luxembourg</small>	
Banque Internationale à Luxembourg S.A. <small>Luxembourg</small>	Banque Ippa S.A. <small>Luxembourg</small>	Banque Nationale de Paris <small>Luxembourg</small>	Banque de Paris et des Pays-Bas <small>Luxembourg</small>
Banque de Paris et des Pays-Bas <small>Luxembourg</small>	Banque de l'Union Européenne <small>Luxembourg</small>	H. Albert de Bary & Co. N.V. <small>Luxembourg</small>	Bayerische Vereinsbank <small>Luxembourg</small>
Berger Bank <small>Luxembourg</small>	Berliner Handels- und Frankfurter Bank <small>Luxembourg</small>	Blyth Eastman Dillon & Co. <small>Luxembourg</small>	Caisse des Dépôts et Consignations <small>Luxembourg</small>
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Daiwa Europe N.V. <small>Luxembourg</small>	Den Danske Bank <small>Luxembourg</small>	Den Danske Provinsbank A/S <small>Luxembourg</small>	Den norske Creditbank <small>Luxembourg</small>
Devaasy & Associés International S.C.S. <small>Luxembourg</small>	Dresdner Bank <small>Luxembourg</small>	European Banking Company <small>Luxembourg</small>	First Bosron (Europe) <small>Luxembourg</small>
Antony Gibbs Holdings Ltd. <small>Luxembourg</small>	Girozentrale und Bank der österreichischen Sparkassen <small>Luxembourg</small>	Hambros Bank <small>Luxembourg</small>	R. Henriques jr. Bank <small>Luxembourg</small>
Hill Samuel & Co. <small>Luxembourg</small>	Kansallis-Osake-Pankki <small>Luxembourg</small>	Kjøbenhavns Handelsbank <small>Luxembourg</small>	Kleinwort, Benson <small>Luxembourg</small>
Kredietbank (Suisse) S.A. <small>Luxembourg</small>	Kuhn Loeb Lehman Brothers International <small>Luxembourg</small>	Manufacturers Hanover <small>Luxembourg</small>	Merrill Lynch International & Co. <small>Luxembourg</small>
Morgan Grenfell & Co. <small>Luxembourg</small>	Morgan Stanley International <small>Luxembourg</small>	Nederlandsche Middenstandsbank N.V. <small>Luxembourg</small>	Nederlandse Creditbank N.V. <small>Luxembourg</small>
The Nikko Securities Co. (Europe) Ltd. <small>Luxembourg</small>	Nomura Europe N.V. <small>Luxembourg</small>	Norddeutsche Landesbank Girozentrale <small>Luxembourg</small>	Nordic Bank <small>Luxembourg</small>
Postipankki <small>Luxembourg</small>	Privatbanken <small>Luxembourg</small>	Solomon Brothers International <small>Luxembourg</small>	Saudi Arabian Investment Company, Inc. <small>Luxembourg</small>
J. Henry Schroder Wagg & Co. <small>Luxembourg</small>	Smith Barney Harris Upham & Co. <small>Luxembourg</small>	Société Bancaire Barclays (Suisse) S.A. <small>Luxembourg</small>	Société Européenne de Banque <small>Luxembourg</small>
Société Générale <small>Luxembourg</small>	Société Générale Alsacienne de Banque <small>Luxembourg</small>	Société Générale de Banque S.A. <small>Luxembourg</small>	Société Séquanaise de Banque <small>Luxembourg</small>
Sundsvallsbanken <small>Luxembourg</small>	Swiss Bank Corporation (Overseas) <small>Luxembourg</small>	Union Bank of Finland Ltd. <small>Luxembourg</small>	Union of Banks Arabes et Européennes-U.B.A.E. <small>Luxembourg</small>
J. Vontobel & Co. <small>Luxembourg</small>	S.G. Warburg & Co. Ltd. <small>Luxembourg</small>	Williams, Glyn & Co. <small>Luxembourg</small>	Wood Gundy <small>Luxembourg</small>
			Yamaichi International (Europe) <small>Luxembourg</small>



ISSUED ESTIMATED DTD (MM)	YEAR OF ISSUE	BOUGHTER'S COUPON MATURITY	PRICE	LIBR AMOUNT DTD	YIELD TO MATURITY YIELD TO CALL/REDEEM	CURRENT YIELD	NET CALL PRICE NET FTR AMOUNT (MM)	PREP CALL DATE PREP FTR DATE	SECURITY GUARANTEES LIFES	LOAD NUMBER	MARKET MAKERS	
30.00	1973	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
27.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
15.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
14.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
12.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
11.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
10.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
9.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
8.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
7.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
6.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
5.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
4.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
3.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
2.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
1.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	1988	13.08	7.32	7.18	102.25	1978	90	103	115	510	530
0.00	98.50	7.00	12/1/1993	9.52	7.22	102.25	1978	90	103	115	510	530
0.00	1974	198										

ISSUED/ ESTIMATED DCE (MO)	YEAR OF ISSUANCE	BORROWER/ COUPON MATURITY	PRICE	YIELD AT PAR	YIELD TO MATURITY YIELD TO CALL	YIELD TO MATURITY YIELD TO CALL	YIELD TO MATURITY YIELD TO CALL	YIELD TO MATURITY YIELD TO CALL	YIELD TO MATURITY YIELD TO CALL	MARKET MAKERS
5.00	1977A	REPUBLIC OF THE PHILIPPINES	99 1/2	5.00	5.11	9.93	107.00	1979-08-01	158	5
99.50		9.00 1/2 1/1/1980								
10.00	1978	SARAWAK	100 3/4	8.82	8.86	8.72	100.00	1977-04-01	159	5 215
10.00	1980	10.00 15/12/1980								
2.50	1975	SINGAPORE	99 3/4	6.04	6.05	6.00	100.00	1975-01-01	159	5
98.50		8.50 1/2 1/1/1980								
10.00	1975	TWO POWER	102 3/4	2.58	7.47	8.55	104.00	1979-08-01	207	5 225-225
100.00		8.75 1/2 1/1/1980								
KORONA (ROMANIA)										
225.00	1972	CITY OF CORNEA	99 1/4	9.50	8.35	6.30	102.50	1979-07-01	145	265 300
99.50		8.25 1/2 1/1/1980								
KORONA (ROMANIA)										
250.00	1975	KORONA DEVELOPMENT BANK	106 1/4	9.00	7.66	8.08	103.00	1979-08-01	179	307
230.00		8.75 1/2 1/1/1980								
LUXEMBOURG TREASURY										
100.00	1972	ARMED FINANCE	95 1/4	9.38	8.98	7.64	102.00	1981-07-01	222	115 200 300
100.00		8.00 1/2 1/1/1980								
100.00	1973	ARMED FINANCE	96 1/4	8.28	8.31	7.01	102.00	1981-07-01	222	115 200 300
98.00		8.75 1/2 1/1/1980								
1975	ARMED FINANCE		99 2/4	8.22	8.26	6.26	101.00	1979-07-01	222	115 200 300
99.50		8.25 1/2 1/1/1980								
100.00	1972	KORONA DEVELOPMENT BANK	95	9.22	8.84	7.35	102.25	1981-07-01	222	115 200 300
100.00		8.00 1/2 1/1/1980								
100.00	1972	KORONA DEVELOPMENT BANK	95 1/4	9.22	8.84	7.35	102.25	1981-07-01	222	115 200 300
100.00		8.00 1/2 1/1/1980								
100.00	1972	CITY OF CORNEA	99 1/4	9.50	8.35	6.30	102.50	1979-07-01	145	265 300
100.00		8.25 1/2 1/1/1980								
100.00	1972	CORRECTIONAL FINANCE	99 7/8	8.62	8.58	7.29	102.00	1979-07-01	222	115 200 300
100.00		8.25 1/2 1/1/1980								
100.00	1973	ARMED FINANCE	96 1/4	8.28	8.31	7.01	102.00	1981-07-01	222	115 200 300
100.00		8.75 1/2 1/1/1980								
100.00	1973	ARMED FINANCE	96 1/4	8.28	8.31	7.01	102.00	1981-07-01	222	115 200 300
100.00		8.75 1/2 1/1/1980								
100.00	1973	ARMED FINANCE	96 1/4	8.28	8.31	7.01	102.00	1981-07-01	222	115 200 300
100.00		8.75 1/2 1/1/1980								
100.00	1973	ARMED FINANCE	96 1/4	8.28	8.31	7.01	102.00	1981-07-01	222	115 200 300
100.00		8.75 1/2 1/1/1980								
100.00	1973	ARMED FINANCE	96 1/4	8.28	8.31	7.01	102.00	1981-07-01	222	115 200 300
100.00		8.75 1/2 1/1/1980								
100.00	1973	ARMED FINANCE	96 1/4	8.28	8.31	7.01	102.00	19		



SECURITY	ESTIMATED DGS (MIL)	YIELD	YTD OF PRICE	BORROWER/ COUPON MATURITY	BOND PRICE/ SHARE PRICE	CURRENT DOLLAR YIELD	CURRENT SHARE YIELD	YTD TO MATURITY PER ANNUAL	CONVERSION PRICE/ DATE ON CONVERSION START	PREMIUM/DISCOUNT %	DELIVERY SECURITY	LEAD MANAGER	MARKET MAKE
15.00 1993	5.00	12.00	GEORGIA CO. 3/1/1993	234 1/2	2.65	4.83	123 1/2	1/7/1994		-3.48	XP	XP	515 930 935 940
25.00 1993	5.00	12.00	AMCO 3/1/1993	234 1/2	2.65	4.83	123 1/2	1/7/1994		-3.48	XP	XP	515 930 935 940
15.00 1977A	4.00	11.75	12/1/1977	115 3/4	5.20	4.83	123 1/2	1/7/1977		-4.44	XP	XP	935 940 945 950
120.00 1960	4.00	11.31	7/1/1992	8 1/8	4.55	1.38					1X		935 940 945 950
15.00 1977A	4.00	11.75	12/1/1977	98 1/8	4.47	6.43	123 1/2	1/7/1977		-2.93	XP	XP	945 950 955 960
50.00 1980	6.25	28.37	9/1/1992	5 1/8	4.09			10/11/1977			1X		945 950 955 960
20.00 1973	10.00	11.75	3/1/1990	1 1/4	5.00	9.06	123 1/2	1/10/1978		-3.54	XP	XP	945 950 955 960
25.00 1973	10.00	11.75	3/1/1990	1 1/4	5.00						1X		945 950 955 960
CONVERTIBLES-AMERICAN													
25.00 1972	10.00	11.75	3/1/1997	98	5.30	5.38	161 5/8	1/7/1973			XP	XP	515 930 935 940
25.00 1980	2.75	1/7/1997	167.05								1X		515 930 935 940
CONVERTIBLES-FOREIGN													
50.00 1989	4.00	4.75	1/7/1989	72 1/8	6.39	4.83	127 1/2	1/1/1989			XP	XP	590 601 602 610
50.00 1990	4.00	4.75	1/7/1989	72 1/8	6.39	4.83	127 1/2	1/1/1989			XP	XP	590 601 602 610
23.00 1980	4.00	4.75	1/7/1989	308 1/2	2.66	7/1	49 1/8	1/1/1970		-3.03	XP	XP	590 601 602 610
23.00 1980	4.00	4.75	1/7/1989	308 1/2	2.66	7/1	49 1/8	1/1/1970		-3.03	XP	XP	590 601 602 610
25.00 1977	10.00	11.75	12/1/1977	108 1/2	5.66	6.33	123 1/2	1/3/1977			1X		590 601 602 610
15.00 1990	7.25	15/7/1992	128 1/2	5.06	15/7/1978						1X		590 601 602 610
25.00 1989	4.00	4.75	1/7/1989	82 7/8	6.54	6.18	123 1/2	1/1/1970			XP	XP	590 601 602 610
15.00 1990	4.00	4.75	1/7/1989	38	5.84						1X		590 601 602 610
40.00 1988	10.00	11.75	1/7/1988	25 1/2	7.87	8.36	105 1/8	1/1/1970			XP	XP	590 601 602 610
25.00 1988	10.00	11.75	1/7/1988	25 1/2	7.87	8.36	105 1/8	1/1/1970			XP	XP	590 601 602 610
25.00 1988	10.00	11.75	1/7/1988	25 1/2	7.87	8.36	105 1/8	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.91	7/1	88 1/2	1/1/1970			XP	XP	590 601 602 610
10.00 1989	4.00	4.75	1/7/1989	93 7/8	1.9								

will be published  
March 13th 1978

ESTIMATED 5% (NAD)	REBUY/	ISSUE PRICE	YEAR OF REBUY/	ISSUE PRICE	BOTHWY/	Coupon Maturity	BOND PRICE/	SHARE PRICE	CURRENT SHARE YIELD	CURRENT SHARE YIELD	CONVERSION PRICE/	DATE OF	CONVERSION	PREMIUM/DISCOUNT	DELIVERY/	SECURITY/	LEAD MANAGER	MARKET MAKERS
76.90	12/17	100.00	6.25	15/11/1986	76	8.22	10.57	80	15.57	EX	454	800	940	970	1X			
76.90	12/10	100.00	6.25	15/11/1986	3	3/4	3.38	13.00	15	77/192	1X							
50.60	1986	162A	12/17	100.00	83	7/8	5.96	7.33	80	55	91.22	EX	447	35	320	870	935	970
50.60	1986	100.00	5.00	17/12/1986	24	1/8	4.97	7.00	10	31/1960	1X							
50.60	1986	100.00	5.00	17/12/1986	122	3/4	5.92	5.64	10	12/1968	1X							
50.60	1986	100.00	5.00	17/12/1986	54	1/2	5.92	5.64	10	12/1968	1X							
50.60	1986	100.00	5.00	17/12/1986	106	1/8	4.48	5.94	90	39/3/4	1X							
50.60	1986	100.00	5.00	17/12/1986	41	2/8	13.33	20	2/1973	1X								
50.60	1986	100.00	5.00	17/12/1986	84	1/8	6.03	7.33	80	44/78	25.51	EX	389	35	320	870	935	970
50.60	1986	100.00	5.00	17/12/1986	50	1/2	5.90	7.00	13/2/1989	1X								
50.60	1986	100.00	5.00	17/12/1986	68	1/4	5.90	7.00	13/2/1989	1X								
50.60	1986	100.00	5.00	17/12/1986	8	7/8	8.00	10.00	40/1973	1X								
50.60	1986	100.00	5.00	17/12/1986	80	3/8	5.93	7.98	80	46.55	125.57	EX	235	800	940	960	975	
50.60	1986	100.00	5.00	17/12/1986	18	3/4	5.97	4.00	1/1970	1X								
50.60	1986	100.00	5.00	17/12/1986	87	5/4	6.52	80	18.233	22.69	EX	447	800	935	975			
50.60	1986	100.00	5.00	17/12/1986	13	1/2	5.93	7.00	13/2/1989	1X								
50.60	1986	100.00	5.00	17/12/1986	82	7/8	6.43	7.60	80	43/4	26.51	EX	389	35	320	870	935	970
50.60	1986	100.00	5.00	17/12/1986	23	3/8	5.94	10.00	1/2/1973	1X								
50.60	1986	100.00	5.00	17/12/1986	81	5/8	6.25	6.55	51/1/72	34.99	EX	235	35	320	870	935	970	
50.60	1986	100.00	5.00	17/12/1986	33	3/8	5.96	7.00	13/2/1974	1X								
50.60	1986	100.00	5.00	17/12/1986	77	7/8	5.96	7.00	13/2/1974	1X								
50.60	1986	100.00	5.00	17/12/1986	12	1/2	5.93	7.00	13/2/1974	1X								
50.60	1986	100.00	5.00	17/12/1986	28	3/8	5.99	6.00	1/2/1968	1X								
50.60																		

**TRAFALGAR FUND S.A.**  
**SOCIÉTÉ ANONYME**

**14 RUE ALDRINGER, LUXEMBOURG**  
**B.C. - Luxembourg 8 2002**

**NOTICE IS HEREBY GIVEN TO shareholders that an Extraordinary General Meeting of the above-mentioned Company will be held at 7 p.m. on 7th March, 1978 at 14 rue Aldringer, Luxembourg, with the following Agenda:-**

**1. To approve and authorize the execution of an agreement tne "Merger Agreement" between the Company and Intercontinental Technology and Natural Resources S.A., ("ITNR") as follows:**

(a) the liquidator of ITNR will, on ITNR's behalf, purchase and/or under subscribe and pay for all shares in Cash for ITNR in the Company having an aggregate Net Asset Value equal to the value of the total assets less an amount sufficient to meet all the liabilities of the Company, such sum to be paid to the Net Asset Value per share of the Company, such Net Asset Value and the value of each such share to be determined by the auditors from which the Merger Agreement is executed and in accordance with the valuation contained in the Merger Agreement;

(b) immediately after such purchase and/or subscription, the balance of ITNR will transfer to the Company all its assets other than the shares in the Company mentioned in paragraph (a) above and any part of such assets which the Company may desire to retain;

(c) The Merger Agreement, not be required to accept for a consideration in cash in U.S. dollars equal to the Net Asset Value so determined; and to authorize the sale above of the assets so transferred;

**2. Subject to the Resolution hereinafter appearing, have hereinabove been duly passed and to the Merger Agreement having been executed, on the 31st March 1978 as at the special date for the repurchase by Trafalgar Realisations S.A. of shares in the Company, upon which it is for them to be made;**

The Board of Directors to accept applications for the repurchase of shares on such date at any time up to the close of business on such date.

Shareholders are advised that, in order for valid decisions to be taken at the meeting, the quorum required is that at least 50 per cent. of the shares in the Company be either represented or either in person or by proxy. In the event that a quorum is not present or if the Board of Directors so resolves for some reason, a second meeting, to be held at a time and place to be determined, may be convened by further notice. In such event, voting on all items put forth at business of the original meeting will be adjourned until the second meeting. In accordance with Luxembourg law, resolutions for the amendments proposed at the meeting and at any second meeting to be passed two-thirds of the total number of votes attributable to the holders of the shares who are entitled to vote in favour thereof.

Holders of shares may vote at the Meeting in person by producing at the Meeting either their share certificates or a certificate of deposit which will be issued to the applicant depositor of their share certificates with either Banknote Garantie du Luxembourg or the London & Lancashire Bank Limited, 15, Abchurch Lane, London E.C.4, England, or Messrs. Schroder Wasse & Co. Limited, 40, Cannon Street, London E.C.2, not later than 5 p.m. on Monday, 6th March, 1978, and shall be deemed to have voted at the Meeting by proxy by completing the form of proxy which will be made available to them and depositing their share certificate, as aforesaid, with their certificates on deposited will be validly received at the Meeting and no admission has been concluded.

Holders of registered shares who are registered as shareholders in the register of the Company as at the date of the Meeting may vote at the Meeting in person or by proxy in the form of proxy submitted to the Company.

In order to be valid, fully completed forms of proxy must reach the Company at 14 rue Aldringer, Luxembourg not later than 5 p.m. on Mondav, 6th March, 1978.

The merger and related documents are available for inspection at Banque Generale de Luxembourg, S.A. - Luxembourg.  
For and on behalf of  
Trafalgar Fund S.A. - Luxembourg



# EXPLANATORY NOTES AND ABBREVIATIONS

<b>LISTINGS</b>	<b>ML</b> = Milan
AN = Antwerp	NY = New York
AM = Amsterdam	PR = Paris
AS = American Stock	RM = Rome
BR = Brussels	SI = Singapore
BT = Beirut	UN = Unquoted
DD = Dublin	VN = Vienna
DF = Düsseldorf	ZR = Zurich & other Swiss
FE = Frankfurt	
HK = Hong Kong	
KL = Kuala Lumpur	
LN = London	
LX = Luxembourg	

## DELIVERY

## TYPE OF GUARANTEE OR SECURITY

<b>1. GUARANTEES</b>	<b>2. OTHER SECURITY</b>
GG = Government Guarantee	CL = Collateral Cover
SG = State or Local Govt. Guarantee	FM = First Mortgage
PG = Parent Guarantee	NP = Negative Pledge
BG = Bank Guarantee	PS = Subordinated
FW = These borrowers have Public Works Loans B as a lender of last resort	SC = Special Clause
	SU = Subordinated
	UL = Unsecured Loan
	TA = Throughout Agreement

## SPECIAL REFERENCES

### 1. GENERAL—ATTACHED TO NAME OF BORROWER

D	= Domestic Management group
L	= Bondholders option to redeem loan prior to maturity
P	= Private or semi-private placement
MC	= Principal/Interest payable in more than two currencies
W	= Withholding taxes (with percentage rate %)
WW	= With warrants
XW	= Ex-warrants

### 2. S/D/M ISSUES

The figures given are the rate at which the DM rate is fixed.

### 3. FLOATING RATE ISSUES

The figures given are the minimum coupon rate.

% margin above LIBOR.

### 4. ATTACHED TO MATURITY DESCRIPTION

S = Semi-annual payments

### 5. ATTACHED TO NEXT S/F AMOUNT

PF = Purchase funds—the amount shown is the annual total (or total to the next coupon date) which may be applied. The year associated with the amount shown relates to the end of the purchase period.

DP = Non-cumulative option to double sinking fund payments.

### 6. CONVERTIBLE ISSUES

The share price is always denominated in the same currency as the conversion price. Please note that where the premium exceeds 200% no fig. is shown in premium/discount column. The following convertible bonds are subject to convertibility into the indicated stocks.

NAME OF BOND	CONVERTIBLE INTO
American Tobacco Int.	1988 American Brands Inc
Amoco Int. Fin.	1984 Standard Oil Indiana
Bankers Int. (Lux)	1986 Bankers Trust New York
Broadway-Hale Stores	1987 Carter Hawley Hale
Chevron Oil O/S	1988 Standard Oil of California
Dart Industries	1987 Minnesota Mining & Manufacturing

Inter-Continental Hotels 1986 Pan-Am World Airways

Int. Standard Elec. 1988 International Tel & Tel

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This announcement appears as a matter of record only



# COMMONWEALTH OF THE BAHAMAS

US\$10,000,000 Medium Term Loan

Underwritten by

CISALPINE OVERSEAS BANK LIMITED ROYAL BANK OF CANADA WORLD BANKING CORPORATION LIMITED  
Nassau Nassau Nassau

Provided by the following Nassau based banks or branches

Bankers Trust Company  
Bank of London & Montreal Limited  
Banque Canadienne Nationale (Bahamas) Limited  
Cisalpine Overseas Bank Limited  
Credit Suisse (Bahamas) Limited  
First National Bank of Boston Nassau Branch  
Interamerican Bank Corporation S.A.  
Manufacturers Hanover Trust Company  
Morgan Guaranty Trust Company of New York  
Republique National Bank of New York (International) Limited  
Royal Bank of Canada International Limited  
Swiss Bank Corporation (Overseas) Limited  
E.D. Sassoon Bank & Trust International  
The Bank of Nova Scotia Trust Company (Bahamas) Limited  
The Royal Bank of Canada International Limited  
World Bank Corporation Limited  
Artoc Bank & Trust Limited  
Bank for Credit & Foreign Commerce (Overseas) Limited  
Bank Leu International Limited  
Continental Illinois National Bank & Trust Company of Chicago  
Gothard Bank International  
Handelsbank N.W. (Overseas) Limited  
Hongkong & Shanghai Banking Corporation Limited  
Trade Development Bank



Agent & Manager  
THE CENTRAL BANK  
OF THE  
BAHAMAS

December, 1977

## NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the issue designated

3 1/4% Sinking Fund Debentures due March 15, 1986, Series BS (herein called "Debentures") of the

# Q QUEBEC HYDRO-ELECTRIC COMMISSION

## CANADA

PUBLIC NOTICE IS HEREBY GIVEN that the Quebec Hydro Electric Commission intends to and will redeem for SINKING FUND PURPOSES on March 15, 1978, pursuant to the provisions of the Debentures, the following debentures as indicated, of the above-mentioned issue, at 100% principal amount plus accrued interest to the redemption date, namely:

31	1225	2425	3640	4883	6028	7230	8412	9633	10850	12048	13224	14446	15611	16818	18023	19222
62	1263	2470	3665	4884	6062	7258	8422	9659	10871	12067	13250	14471	15643	16855	18059	19268
71	1291	2489	3694	4920	6094	7294	8449	9697	10909	12095	13276	14497	15669	16881	18084	19293
112	1323	2515	3719	4935	6113	7327	8500	9716	10924	12129	13327	14523	15707	16891	18074	19282
184	1371	2571	3774	4967	6161	7386	8563	9772	10983	12188	13380	14570	15753	16936	18118	19309
189	1381	2580	3783	4975	6174	7400	8577	9786	10997	12192	13384	14574	15757	16940	18121	19312
228	1435	2638	3841	5022	6218	7448	8621	9831	11041	12247	13438	14628	15811	17004	18196	19387
267	1484	2687	3889	5067	6259	7492	8665	9875	11086	12292	13483	14673	15856	17049	18241	19432
290	1480	2686	3881	5065	6251	7484	8658	9864	11078	12284	13475	14665	15848	17041	18233	19424
318	1523	2718	3918	5102	6292	7524	8697	9907	11119	12325	13516	14706	15889	17082	18274	19465
341	1561	2774	3982	5134	6332	7570	8743	9956	11157	12344	13535	14725	15908	17101	18293	19496
375	1600	2822	4029	5161	6369	7618	8791	9995	11195	12383	13574	14764	15947	17140	18332	19527
412	1633	2858	4065	5195	6402	7658	8824	10022	11230	12424	13615	14805	15988	17181	18374	19558
450	1671	2899	4104	5231	6447	7694	8858	10058	11269	12463	13653	14843	16026	17219	18412	19589
473	1686	2925	4100	5233	6441	7681	8872	10069	11276	12470	13660	14850	16033	17226	18419	19596
501	1712	2944	4139	5272	6484	7724	8916	10112	11316	12512	13702	14892	16079	17272	18465	19627
563	1780	2965	4175	5315	6526	7765	8951	10157	11359	12553	13743	14923	16110	17303	18498	19658
592	1795	2989	4224	5360	6563	7784	8994	10195	11397	12591	13781	14961	16150	17341	18536	19689
630	1834	3025	4268	5415	6607	7828	9034	10232	11434	12628	13818	15000	16189	17379	18567	19720
668	1860	3029	4267	5412	6607	7821	9037	10231	11433	12627	13817	15000	16188	17378	18566	19719
700	1897	3067	4300	5450	6642	7863	9079	10271	11473	12668	13859	15042	16229	17419	18606	19750
719	1882	3112	4375	5519	6723	7922	9141	10332	11542	12721	13924	15102	16291	17478	18675	19781
762	1964	3148	4398	5542	6770	7964	9157	10358	11568	12743	13945	15126	16315	17504	18693	19812
783	1985	3171	4423	5561	6791	7988	9186	10381	11597	12769	13969	15151	16339	17528	18717	19843
823	2032	3216	4447	5574	6835	8012	9223	10424	11637	12804	14001	15197	16372	17552	18752	19874
871	2089	3222	4494	5588	6857	8054	9273	10457	11670	12836	14031	15227	16403	17583	18783	19905
898	2103	3272	4531	5619	6880	8080	9306	10486	11704	12862	14056	15252	16428	17608	18808	19936
930	2131	3336	4587	5719	6936	8157	9333	10523	11742	12907	14101	15307	16473	17653	18853	19981
969	2174	3348	4598	5737	6964	8174	9355	10551	11769	12931	14126	15332	16498	17678	18878	20012
1009	2193	3372	4631	5769	6980	8200	9386	10586	11794	12962	14156	15362	16528	17708	18908	20043
1033	2224	3406	4655	5818	7034	8236	9409	10614	11839	13021	14209	15419	16625	17822	19029	20159
1057	2251	3439	4688	5851	7067	8262	9441	10646	11871	13053	14241	15451	16657	17850	19061	20190
1081	2276	3466	4716	5884	7100	8291	9474	10673	11903	13074	14270	15481	16687	17880	19090	20219
1148	2324	3518	4760	5921	7115	8324	9510	10728	11948	13115	14313	15522	16729	17944	19119	20268
1172	2351	3551	4793	5954	7148	8353	9543	10761	11980	13147	14347	15556	16762	17977	19150	20297
1182	2389	3571	4824	5982	7188	8383	9600	10823	12040	13179	14385	15593	16798	17995	19190	20326



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**Advertisement**

	Issue	Mid- dle Price	Current Yield	Life*	Yield to Maturity*	Face amt. D - mandatory drawing at 100% of par at 100% of par
8 1/2	Kobe 75/80P (G)	104.50	7.89	2.33	6.10	1. 680
7 1/2	Kobe 76/83 (G)	109.50	6.91	5.33	5.80	1. 683
7 1/2	Kobe 77/87 (G)	104.50	6.07	9.33	5.51	1. 687
7 1/2	Komatsu Inst. 76/83	104.50	7.42	4.15	6.47	1. 481-83D
7 1/2	Komatsu Inst. 76/84	104.50	7.42	4.15	6.47	15.1077-84D
7 1/2	Korea Dev. Bank 77/84	98.50	7.34	4.86	6.73	1.1284
5 1/2	Kubota Int'l. 77/82P	100.50	5.22	3.93	7.53	1.1284
8 1/2	Light-Servics 77/82 (G)	105.50	8.06	4.08	6.90	1. 382
8 1/2	Longs. C. Bk. Japan 70/85	107.10	7.94	4.08	6.59	11.176-85
10 1/2	Lonza Int'l. 74/79P	106.00	9.35	1.75	5.66	1.1179
8 1/2	Lonza Int'l. 75/80P	106.25	7.76	2.29	5.26	15. 580
7 1/2	Malaysia 77/84	100.60	6.96	3.20	6.77	1. 675-84D
6 1/2	Malaysia 77/85	98.25	6.62	7.58	6.79	1. 985
9 1/2	Malmo 76/84	109.30	8.46	4.46	6.76	1. 281-84D
9 1/2	Malmo 76/85	106.75	7.73	3.55	6.07	1. 380-83D
9 1/2	Montreal 77/84	107.75	6.03	4.62	5.05	1. 784
6 1/2	Nafin, Hydro El. 72/87	103.25	6.54	4.60	5.91	1. 678-87S
6 1/2	Megal. Fin. Comp. 78/90	100.25	6.23	9.33	6.21	2. 165-90S
7 1/2	M E P C 73/88	99.70	7.02	5.47	7.06	1. 579-88D
7 1/2	Mexico 68/80	104.50	6.70	1.32	3.51	1. 671-80S
7 1/2	Mexico 68/84	104.50	6.70	3.34	5.58	2. 173-84S
7 1/2	Mexico 73/88	103.75	6.99	5.16	6.37	1. 179-88S
8 1/2	Mexico 75/84	107.75	8.49	4.42	6.69	1. 782
8 1/2	Mexico 76/83	107.45	8.43	3.32	6.26	1. 783-83S
7 1/2	Mexico 77/84	106.00	7.31	6.33	6.55	1. 684
7 1/2	Mitsubishi Gas 76/81P	104.50	7.42	3.33	6.20	1. 681
7 1/2	Mitsui Tosu 76/81P	104.00	7.45	3.62	6.46	15. 981
9 1/2	MODO 75/83	104.95	8.58	3.79	7.43	1. 680-83D
7 1/2	Montreal 69/89	104.00	6.73	5.87	6.16	1. 470-89D
6 1/2	Montreal 72/92	99.75	6.02	7.04	6.04	1. 973-92D
6 1/2	Montreal 73/88	101.25	6.23	7.32	6.44	1. 973-88S
6 1/2	Montreal 76/86	106.60	7.97	8.41	6.71	1. 777-86S
7 1/2	Montreal 77/87	102.60	6.82	4.71	6.33	1. 768-87S
7 1/2	Morg. Denmark 69/84 (G)	104.75	7.16	3.63	6.11	11.175-84S
7 1/2	Morg. Denmark 71/86 (G)	104.50	7.42	4.41	6.66	1. 377-86S
7 1/2	Morg. Denmark 73/88 (G)	102.80	6.81	5.66	6.38	1. 779-88S
7 1/2	Morg. Denmark 69/84 (G)	104.50	7.16	3.63	6.11	1. 377-84S
7 1/2	Nafi, Mexico 69/79 (G)	101.00	1.18	0.83	6.07	1. 772-79S
8 1/2	Nafi, Mexico 76/83P (G)	103.50	8.29	5.83	7.54	1.1233
7 1/2	Nafi, Mexico 77/82P (G)	100.75	6.95	4.58	6.79	1. 982
8 1/2	Nafi, Mexico 77/84 (G)	106.50	8.22	6.08	7.38	1. 384
8 1/2	Nafi, Mexico 77/84P (G)	105.50	8.29	6.08	7.58	1. 384
8 1/2	Natl. Bk. Hungary 75/81	106.35	7.76	3.42	6.11	1. 781
8 1/2	Nat. Bk. Hungary 75/81	106.35	7.76	3.42	6.11	1. 781
8 1/2	National Lead 67/79	101.00	6.44	0.83	1.19	1. 672-79S
6 1/2	Nat. Wescm. Bk. 73/88	107.35	7.45	5.91	6.45	1.1078-88S
6 1/2	New Brunswick 72/87	105.10	6.42	5.03	5.55	1.1178-87S
6 1/2	Newfoundland 69/84	105.25	6.89	3.39	5.61	1. 875-84S
6 1/2	Newfoundland 71/86	105.00	7.62	4.29	6.61	1. 877-86S
6 1/2	Newfoundland 72/87	103.25	6.62	5.01	5.97	1.1178-87S
6 1/2	New Zealand 69/88	103.30	7.32	6.52	6.10	1. 885
7 1/2	New Zealand 68/78	100.00	7.00	4.42	7.10	1. 772-78S
6 1/2	New Zealand 69/84	106.25	6.35	3.41	4.81	1. 275-84D
7 1/2	New Zealand 71/86	105.25	7.13	4.05	6.11	1. 577-86D
7 1/2	New Zealand 72/87	106.60	5.97	4.82	5.41	1. 278-87D
9 1/2	New Zealand 75/80P	107.50	8.84	2.00	5.44	1. 280
9 1/2	New Zealand 75/80P	107.00	8.84	2.00	5.46	1. 280
8 1/2	New Zealand 75/80P	107.50	7.53	2.42	4.86	1. 780
7 1/2	New Zealand 76/83	113.35	6.68	6.68	6.68	1. 182
7 1/2	New Zealand 76/83	108.50	6.91	5.08	5.53	1. 383
7 1/2	New Zealand 76/86	110.00	7.05	6.69	5.89	1.1182-86D
6 1/2	New Zealand 77/84	105.75	5.91	6.25	5.15	1. 584
9 1/2	Nippon Kokan 75/82	106.00	8.49	3.14	6.80	1. 480-82D
8 1/2	Nippon T - T 75/82 (G)	108.25	8.08	4.08	6.39	1. 382
8 1/2	Nippon T - T 75/82 (G)	107.90	7.65	4.33	6.11	1. 682
8 1/2	Nippon T - T 76/83 (G)	108.50	7.76	5.67	5.93	1.1083
8 1/2	Norges Komm. Bk. 75/80P (G)	107.50	7.93	4.08	6.52	1.1034-85S
8 1/2	Norges Komm. Bk. 75/80P (G)	106.75	7.49	2.33	4.85	1. 680
7 1/2	Norges Komm. Bk. 76/81 (G)	106.75	7.49	2.42	4.95	1. 780
7 1/2	Norges Komm. Bk. 76/81 (G)	106.50	6.57	3.25	4.78	1. 581
7 1/2	Norges Komm. Bk. 77/80 (G)	105.75	6.62	6.88	5.95	1. 480-89S
6 1/2	Norges Komm. Bank 77/89 I (G)	100.50	5.97	7.40	5.91	16.1080-39S
6 1/2	Norges Komm. Bank 77/89 II (G)	100.55	5.97	11.83	5.93	1.1280-89S
8 1/2	Norlapse 76/84	108.60	7.83	4.34	6.18	1. 280-84S
8 1/2	Norlapse 76/84	108.60	7.83	4.34	6.18	1. 280-84S
8 1/2	Norlapse 77/89	100.50	5.97	9.17	5.93	1.1184-89D
7 1/2	Norsea Gas 76/88	107.50	6.74	8.25	6.06	1.1283-88S
7 1/2	Norsea Gas 77/89	107.25	6.53	11.41	6.09	1. 784-89S
9 1/2	Norsk Hydro 75/87	112.00	8.04	5.42	6.31	1. 380-87D
8 1/2	Norsk Hydro 76/88	109.75	7.29	7.58	6.33	1. 483-88S
8 1/2	Norsk Hydro 77/89	104.75	6.44	8.12	5.99	1. 682-89S
8 1/2	Norway 75/80	107.35	7.69	2.25	4.71	1. 580
8 1/2	Norway 75/80P	107.50	7.73	2.25	4.71	1. 580
7 1/2	Norway 76/81	107.10	7.24	2.83	4.99	1.1280
7 1/2	Norway 76/81	106.40	6.28	3.25	4.82	1. 581
7 1/2	Norway 76/81	111.00	6.76	3.42	3.98	1. 721
6 1/2	Norway 77/82	107.00	6.07	3.92	4.51	1. 182
6 1/2	Norway 77/82	106.25	5.88	4.17	4.56	1. 482
5 1/2	Norway 77/82	104.05	5.53	4.50	4.72	1. 882
4 1/2	Norway 78/83	99.75	4.76	4.92	4.81	1. 183
7 1/2	Norw. Mortgage 77/87	106.25	6.82	7.23	6.15	15. 833-87D
6 1/2	Norw. Mortgage 77/89	104.00	6.01	7.79	6.01	11.1180-89D
7 1/2	Nova Scotia 76/84	105.70	6.57	6.63	5.41	1.1277-86D
7 1/2	Nova Scotia Power 72/87	100.40	7.53	5.09	6.06	1.1278-87S
6 1/2	Occidental Ovr. 68/83	102.50	6.34	3.09	5.68	1.1072-83S
6 1/2	Oester. Donaukr. 59/84 (G)	102.50	5.85	3.48	5.26	1. 265-84D
6 1/2	Oester. Donaukr. 73/88 (G)	105.50	6.40	5.81	5.61	1. 379-88S
8 1/2	Oester. Donaukr. 75/85 (G)	112.75	7.76	5.03	5.75	1. 381-85D
8 1/2	Oest. El. Wirtsch. 67/87 (G)	105.50	6.64	4.81	5.76	1. 273-87D
7 1/2	Oest. El. Wirtsch. 76/83P (G)	105.50	6.67	5.83	5.49	1. 184
10 1/2	Oest. Inv. Kredit 74/79P	107.00	9.58	1.71	5.79	16.1079
9 1/2	Oest. Kontrollbank 74/78P (G)	102.50	9.51	0.58	5.18	1. 978
9 1/2	Oest. Kontrollbank 74/79 IP (G)	105.50	9.00	1.33	5.09	1. 679
9 1/2	Oest. Kontrollbank 74/79 IIP (G)	105.50	9.00	1.42	5.32	1. 779
7 1/2	Oest. Kontrollbank 76/83P (G)	104.00	6.73	5.83	6.16	1.1283
6 1/2	Oest. Kontrollbank 77/89P (G)	104.00	6.49	6.00	5.94	1. 284
6 1/2	Oest. Kontrollbank 77/89P (G)	103.00	6.31	6.42	5.92	1. 284
6 1/2	Oest. Kontrollbank 77/89P (G)	103.00	6.13	5.80	5.86	1. 684
6 1/2	Oest. Kontrollbank 77/85P (G)	102.25	5.87	7.75	5.63	1.1185
3 1/2	Oest. Lnderbank 77/82	101.75	5.41	4.83	5.08	1.1282
6 1/2	O K O 69/79 (G)	101.00	6.19	1.24	5.47	1.1170-79D
6 1/2	Ontario 69/84	105.15	6.18	3.43	4.91	1. 275-84D
6 1/2	Ontario 72/87	103.05	5.82	5.95	5.38	1. 980-87D
7 1/2	Ontario Hydro 69/84	105.60	6.63	3.40	5.25	1. 875-84D
7 1/2	Ontario Hydro 71/86	106.65	6.86	4.65	5.56	1.1278-86D
6 1/2	Ontario Hydro 72/87	104.80	6.20	3.49	4.92	1.1080-87D
6 1/2	Ontario Hydro 73/88	104.75	6.21	6.44	5.60	1. 381-88D
6 1/2	Ozaka 63/78 (G)	100.30	6.48	0.80	2.85	1. 369-78D
6 1/2	Ozaka 64/79 (G)	100.40	6.25	0.92	2.09	2. 170-79D

**Westdeutsche Landesbank Girozentrale**  
**Leading Marketmakers in Eurobonds**

91%	Giroz, Vienna 74/80R	109.00	8.94	2.83	6.17	1.1280
7%	Giroz, Vienna 76/81	106.65	6.56	3.75	5.00	1.1181
74%	Giroz, Vienna 76/83	106.75	6.79	5.75	5.83	1.1183
5%	Giroz, Vienna 77/82	101.85	5.00	4.67	5.04	1.1082
8%	Gloax Fin, 71/86	105.75	7.57	4.21	6.52	1.777-865
9%	Goetsberg 75/85P	109.00	8.94	4.93	7.50	1.281-85D
64%	Goodyear Tire 72/82	106.65	6.51	5.87	5.87	1.1278-87S
71%	Grand Steel Frn. 77/83	101.85	4.94	5.54	5.81	1.891-84S
61%	Guardian Inv. 75/83P	103.50	7.90	4.94	5.92	1.279-83S
8%	Guest-Kenn Need, 76/83	108.60	7.37	5.25	6.03	2.533
61%	Hamesley Iron 72/87	103.05	6.55	4.68	5.97	1.778-87S
8%	Hazama-Gumi 76/81P	106.00	7.55	3.33	5.95	1.681
7%	Helsinki 68/83	101.50	6.90	2.82	6.51	1.772-83S
61%	Highv. Steel ex w. 66/78	100.00	5.00	8.17	6.33	1.478
7%	Hitchi Cable 77/82P	100.00	6.73	3.92	5.82	1.582
81%	Hitchi Shldg. 76/81	100.00	3.02	6.83	6.30	1.621
8%	Hogsofens 70/85	104.75	8.11	3.65	7.12	1.676-85D
8%	IAKW Vienna 75/85 (G)	109.00	8.03	4.66	6.44	1.580-85S
71%	Iceland 69/84	103.25	7.02	3.13	6.18	1.573-84S
71%	Iceland 77/87	105.40	7.35	5.94	6.61	1.480-87S

**WestLB Schuldscheindarlehen**  
**4 year maturity: 4.95%**      **5 year maturity: 5.20%**

63%	Ozaka 65/80 (G)	102.75	6.08	1.50	4.37	1, 2.71—80D
65%	Oslo 64/79	101.50	5.91	0.66	3.71	1, 4.78—79D
65%	Oslo 65/80	101.50	5.91	0.66	3.71	1, 4.78—80D
70%	Oslo 67/80	102.00	6.86	1.08	5.03	1, 3.72—79D
74%	Oslo 69/84	106.00	7.08	3.64	5.73	1, 1.175—84D
74%	Oslo 71/87	105.50	7.11	4.72	6.23	2, 1.78—87S
62%	Oslo 73/90	103.75	6.51	6.21	6.00	1, 7.76—90S
9%	Oslo 75/87	109.20	8.24	4.77	6.68	1, 3.78—87S
7%	Otukumapu 68/78 (G)	101.50	6.90	0.58	4.41	1, 9.72—78D
64%	Papua 73/88	104.85	6.44	6.14	5.78	1, 7.73—88S
61%	Perak-Matlin 71/87P	102.00	6.74	6.17	6.17	1, 4.83—87D
82%	Pemex 76/83	107.85	8.11	5.83	7.05	1, 12.83
7%	Pemex 77/84	102.20	6.85	6.58	6.57	1, 9.84
7%	Pemex 78/86	100.75	6.95	7.92	6.87	1, 1.86
7%	Petrobas 77/84	100.30	6.98	6.67	6.93	1, 10.84
61%	Phillip Morris 72/87	106.25	6.35	5.04	5.30	1, 1.176—87D
74%	Philippine 77/84	108.70	7.34	6.75	4.48	1, 1.18—84D
61%	Phillips 78/80	98.00	1.10	5.75	5.89	1, 4.81
81%	Phillips 75/81P	107.00	7.94	3.21	6.02	15, 4.81
83%	Phillips 75/82	110.00	7.95	4.12	5.94	15, 3.82
91%	PK-Banken 75/83	105.00	8.10	3.96	6.99	1, 8.80—83D
91%	Platm. Malmoe 75/80P	105.75	8.75	2.25	6.40	1, 5.80
74%	Privatbk. Copenh. 77/83P	103.25	7.02	5.17	6.48	1, 4.83
61%	Pyhrn Autobahn 77/89 (G)	110.80	6.14	9.00	5.98	1, 9.84—89D
61%	Quebec 72/87	102.30	6.35	4.68	5.91	1, 7.78—87D
61%	Quebec 77/87	105.65	7.10	9.00	6.65	1, 2.87
61%	Quebec 77/87	103.75	6.99	9.33	6.69	1, 6.87
61%	Quebec Hydro El. 69/84	105.35	6.41	3.43	5.09	1, 2.75—84S
72%	Quebec Hydro El. 69/84	105.00	6.90	3.47	5.72	1, 9.75—84D
8%	Quebec Hydro El. 71/86	107.00	7.48	4.38	6.25	1, 9.77—86D
64%	Quebec Hydro El. 72/87	102.10	6.37	4.97	5.99	1, 4.78—87D
64%	Quebec Hydro El. 73/88	102.65	6.33	5.35	5.90	1, 3.79—88D
64%	Quebec Hydro El. 73/88	101.50	6.40	9.54	6.28	16, 8.87
64%	Quebec Hydro El. 77/87	105.85	6.83	6.25	6.27	1, 1.86
83%	Oceania Land Alu. 70/85	104.65	7.98	4.08	6.77	1, 1.176—85S
71%	Redland Int'l. 69/84	106.85	7.15	3.22	5.91	1, 6.75—84S
71%	Reed Paper 73/88	104.15	6.96	5.17	6.28	1, 1.79—88S
81%	Renfe 76/82 (G)	108.00	7.87	4.42	6.35	1, 7.82
8%	Renfe 77/84 (G)	107.05	7.47	6.17	6.57	1, 1.84
7%	SAAB 71/86	104.75	7.40	4.32	5.57	1, 6.77—86S
101%	SAFE 74/79P	107.00	5.98	1.75	5.89	1, 1.179
61%	Sandvik 72/87	104.75	7.16	4.80	6.32	1, 2.78—87D
91%	Sandvik 75/83	113.50	8.15	5.00	6.04	1, 2.83
61%	Sanko Steamship 75/80	104.50	8.13	2.83	6.69	1, 1.1280
61%	Sanko Steamship 77/84	105.75	6.62	6.00	5.84	1, 2.84
7%	S.A.P.L. 75/80P (G)	108.50	6.29	2.08	6.42	1, 3.80
7%	Sears Int'l. 68/83	103.20	6.78	2.83	5.84	30, 6.73—83S
64%	Shell Int'l. 72/87	104.90	6.20	4.99	5.35	1, 4.78—87S
81%	Shell Int'l. 77/89	108.35	6.23	8.95	5.54	1, 2.85—89D
61%	Ship. Co. N. Zealand 75/80P (G)	106.50	7.25	2.34	5.20	3, 6.88
61%	Ship. Co. N. Zealand 75/82 IP (G)	107.00	7.94	4.32	6.57	22, 6.82
81%	Ship. Co. N. Zealand 75/82 IIP (G)	107.00	7.94	4.32	6.57	27, 5.82
7%	Siemens Europe 66/81	103.95	6.61	4.22	6.17	1, 1.170—81S
7%	Singapore 72/82	103.75	6.75	2.36	5.36	1, 7.78—82S
64%	Singapore 77/83	103.05	6.31	5.25	5.80	1, 5.83
61%	Singapore Airl. 76/83 (G)	105.50	8.29	2.94	6.63	1, 2.79—83D
8%	S.N.F.C. 68/83 (G)	104.75	6.21	3.10	4.80	1, 1.072—83S
71%	Soc. Dev. Reg. 76/86 (G)	106.75	7.03	5.41	6.00	1, 4.80—86D

*Continued on page 22*

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## NEWS ANALYSIS—AURORA HOLDINGS

## A move into the big league

BY GEOFFREY OWEN

ROBERT ATKINSON, 60-year-old chairman of Aurora Holdings, has a passionate belief in high-quality engineering. He is also ambitious, outspoken and intensely patriotic. He enjoys the bustle and smoke of the shop floor. He believes he can motivate managers and men to create a business of which Sheffield and the country can be proud. His latest foray—buying 24 per cent of Samuel Osborn, one of the leading special steel companies—is, he hopes, another step towards his goal of a company making pre-tax profits of £10m. on sales of £100m. before he retires. Since he became chairman five years ago profits have risen from £200,000 to over £2m.

## 'Engineering my base'

"Engineering is my base," says Mr. Atkinson. He can point not merely to a succession of senior jobs in the industry—in Duxford, the marine engine company, in the engineering division of Tube Investments and more recently as managing director of Universal Grinding (now Unicorn Industries)—but also to his technical background. He won the Institution of Mechanical Engineers gold medal for work on the vibration of crankshafts.

He came to Aurora almost by accident. He had resigned from Universal in 1971 and he was, among other things, a director of Keyser Ullmann with a special responsibility for its industrial interests. Aurora was one of its clients and Mr. Edward Du Cann, the chairman, asked Mr. Atkinson to take a look at the company.



Mr. Robert Atkinson, chairman of Aurora.

At that time Aurora cut very little ice either in Sheffield or in the world at large. Founded in 1880 as a gear-maker, it had become a loose collection of 32 small engineering companies mostly engaged in sub-contract work. The company was lacking in products, in acumen and in objectives. Mr. Atkinson, when he accepted the Board's offer to become full-time chairman and managing director, resolved to give them all three.

There followed a remarkable period of clean-up and re-organisation. It involved the sale of a dozen or so small units and a gradual move "up market," into quality engineering and products of high added value. Mr. Atkinson brought in new management, notably a young finance man who is now deputy managing director and equipped himself with first-class professional advisers: he pays special tribute to the role played by Barclays Bank.

He started looking for specialist engineering companies with a strong market position and preferably with pre-tax profits of at least £100,000. First in the net was Anderson Forco, the leading U.K. manufacturer of circlip and disc springs, export 70 per cent of its output. "Some rationalisation was necessary," says Mr. Atkinson, "but it helped us get bigger—we could begin to breathe."

In 1976 came the controversial bid for East Sussex Engineering, which, after an acrimonious contest, brought several useful additions to Aurora's range, of which the most important were probably Lindley, a manufacturer of

should set the pattern for further expansion, both by internal development and by acquisition: the groupings are specialist engineering, fasteners, process and industrial plant, metals and distribution. He has made the company grow quickly, but not he claims rashly; he has taken the best financial and technical advice before buying any new business.

With the stake in OSBORN, Mr. Atkinson is entering the bigger league of the Sheffield special steelmakers. The largest of these is Johnson Firth Brown, for whom he has considerable respect. He has already bought one of JFB's subsidiaries, but it was not for sale. A report was struck up and Mr. Atkinson sees scope for useful collaboration between the two companies, particularly in research and development, although there is no question in his mind of a merger. One result of the discussions was a deal whereby JFB sold its 19.1 per cent holding in Samuel Osborn to Aurora (already held 8 per cent.) in exchange for shares in Aurora.

## Osborn reaction

What happens next? A great deal depends on the reaction of Osborn's Board to the unexpected switch from JFB to Aurora as a major shareholder. Mr. Atkinson seems in no hurry to press matters, but he clearly hopes that a fruitful relationship of some kind can be worked out. He thinks the two companies have a lot to offer each other in engineering and in steel, as well as in overseas markets. A merger is one possibility, but Osborn recently held abortive merger talks with Weir and is evidently keen to retain its independence.

For Aurora, the shareholding in Osborn is too large to be regarded simply as a trade investment. After the upheavals which the Sheffield steelmakers have gone through in recent years (including the absorption of Dunford and Elliott by Lomphol), it would be surprising if this latest flurry led nowhere.

## Alexanders Discount chief confident

AFTER A year in which profit soared to a record £2.14m., Mr. P. Riversdale Glen, chairman of Alexanders Discount Co., tells members that he looks forward to 1978 and beyond with confidence.

The unprecedented movement in interest rates during 1977, called for strong nerves on many occasions and certain events dictated caution. This, therefore, meant large fluctuations in the size and shape of the company's portfolio but a much larger holding of gilts than for several years was maintained, he explains.

The company ended the period with the largest total book ever. The main increases came in the holdings of "Treasury" bills, up from \$99.65m. to £171.85m., and commercial and local authority bills up from £137.76m. to £202.76m.

Quoted local authority securities at year end were up at £25.95m. (£16.72m.); gilts at £38.73m. (£35.3m.); sterling certificates of deposits at £48.33m. (£32.04m.) and U.S. dollar CDS at £18.55m. (£24.52m.).

Included against these were secured loans of £455.86m. (£336.12m.) and deposits, other liabilities and contingency reserves amounting to £40.8m. (£22.22m.).

As reported on January 24, profit for the year, after providing for rebate and tax and making transfers to contingency reserve, leaped from £264,125 to £2,140,000. The net dividend is lifted to 14.33p (12.52p).

Meeting, 1, St. Swinburn Lane, EC, on March 6, at noon.

## Gold Fields withdraws offer

Consolidated Gold Fields and Mr. Jim Venus, former chairman of Appleford Shipbuilders, have withdrawn their joint conditional offer to buy the Penryn, Cornwall shipbuilding yard formerly operated by Dredge and Marine.

The offer had been accepted subject to contract by Mr. Roger Harris, the Receiver managing Dredge and Marine, which closed last March with the loss of 130 jobs.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are held for the purpose of considering dividends. Official indications are not available whether the dividends concerned are interim or final. Dates are shown below and are based mainly on last year's timetable.

**TO-DAY**  
Interim: Arrol Industries, Palustrum Investment Trust, First Trust, Western Canada Investment.  
Final: Ladbro's, Prime Outwater, Macdonald Ship Canal, Nutcracker Management, Plastic Constructors, Reliable Properties, Scottish Western Investment.

**FUTURE DATES**  
Interim: Ecopa Mar. 2  
Final: Ecopa Mar. 16  
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## Housing policy switch by GLC

By David Churchill

GREATER LONDON Council's plans to transfer its present housing stock to the London boroughs and concentrate on strategic planning instead are detailed in a new discussion document published today.

The document, called "Inner London Must Live," says that the GLC's new housing policies are the "most substantial changes to have been initiated for the past 40 years."

Under the new policy, all GLC dwellings will be transferred to the relevant housing authority or, if necessary, to other agencies. But by adopting a strategic role the GLC does not intend totally to drop out of the housing market.

"By concentrating its own efforts in inner London where the boroughs are not able to cope with the problems themselves and where the private sector is not interested, the council is ensuring that the deprived areas of London are not being forgotten or further deprived of help," the GLC says.

The council intends to build about 2,000 homes a year in inner London as a result of this policy and, when present commitments are completed, to build in the suburbs.

In addition, the GLC hopes to foster rehabilitation of the existing housing stock by concentrating loans on the inner city.

The GLC intends to act as a catalyst to all housing agencies "to create the first real strategic housing authority in the country, for the first time which no other housing authority has ever operated."

AS THE official start date of March 1 nears advertisements for the Big Orange Flights of Braniff International from Dallas-Fort Worth, Texas, to London omit one important detail—which London airport is to be used.

What seemed at one stage a minor wrangle is proving a big last-minute Anglo-American row about the flights, called Big Orange because of the colour of the 747 jet.

Last night the Texan airline still insisted that it would use Heathrow. "We have not been told officially that we cannot fly into Heathrow."

The British authorities, including Government and the British Airports Authority, are convinced that the Braniff first flight, with its full load of Texan mayors, business leaders and journalists, will put down at Gatwick.

"The way things are going," said a travel agent, "the pilot and air traffic control will still be arguing as the jet makes its final approach."

More realistically, it is probable that Braniff will tie up the British line and head for Gatwick, and that it will get its official notification within a few days.

Both sides say the new Bermuda agreement supports their case, but the British authorities are likely to have the edge at the moment.

Mr. Harris said all conditions attached to the offer had been cleared except for the matter of Government assistance, which was still under consideration by the Department of Industry when the offer was withdrawn.

Mr. Venus explained that he had decided "principally for health reasons" that he could no longer pursue a full-time interest in the Penryn project.

Since we regarded Mr. Venus's full-time involvement as crucial, we felt we had no alternative but to withdraw.

The project would have created up to 200 new jobs in the construction of dredgers and small vessels of up to 1,500 tons.

Simon Eng. to extend U.S. market

Simon Engineering has bought a British engineering company, mainly with a view to developing its exploitation of the U.S. market. The company is Croftshaw (Engineers), manufacturers of solvent-recovery plants, for which Simon issued 283,333 shares, worth £375,000.

Croftshaw, a family company, started by making plants for the recovery of solvents such as dry-cleaning solutions. The applications have since become much more diverse and sophisticated, including solvent recovery in the printing, paint manufacturing, rubber and chemical industries.

Mr. John Hartley, a director of Simon, described the purchase as a "slight diversification." Simon was not currently involved in solvent-recovery but Croftshaw would fit in well with existing chemical engineering and environmental control interests.

In acquiring Croftshaw's American business, Simon will increase the number of its U.S. companies to five. Mr. Hartley said that Simon might well create a holding company there before long.

Simon Engineering is gaining rapidly in knowledge and expertise in the U.S., said Mr. Hartley. He believed that Croftshaw's American business, which currently has around \$2m. of the \$100m. solvent-recovery market, would have great potential backed by Simon's connections and finance.

It is the American business, rather than the actual company which is being purchased. The goodwill is being bought for \$5,000 and a commitment not to compete for \$20,000. The company itself will continue in the hands of its existing owners who are taking on any further orders in the solvent-recovery field. Further consideration for the purchase lies in service agreements, commissions and the price paid for the U.K. company.

## Inflation in retail prices may be down to 10%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A SIGNIFICANT decline in the 12-month rate of retail inflation measured over six months is already well down into single figures, and officials and economists are increasingly optimistic that the 12-month rate can be kept below the 10 per cent for most of this year.

The long-awaited return to a single rate of annual price inflation is likely to be confirmed in just over a month's time when the retail price index for mid-February is published, according to a Commons speech last week by Mr. Roy Hattersley, Prices Secretary.

The index for mid-January, due to be announced on Friday, is expected to show a rise in the index of between 10 and 11 per cent. In the last 12 months compared with the 12.1 per cent increase reported for the period to mid-December.

The underlying rate of inflation measured over six months is already well down into single figures, and officials and economists are increasingly optimistic that the 12-month rate can be kept below the 10 per cent for most of this year.

Among the other main economic indicators expected this week are the retail sales figures for January (due this afternoon), the index of industrial production for December and the January trade figures (both tomorrow), the earnings index for December (on Wednesday) and the money supply figures and an estimate of fourth quarter consumers' expenditure (both on Thursday).

The money supply figures are being awaited nervously by the market following the warning signal of the near 3 per cent rise in the bank's eligible liabilities announced last week.

The retail sales figures are generally expected to confirm that the upturn in the volume of spending in shops in December—up 3 per cent on the previous month—was maintained in January.

But there have been doubts about the strength of sales after the end of the special sales period.

The trade figures are likely to show that the current account is in substantial surplus, though there will be close interest in the rate of growth of exports after the slowdown in recent months.

The current account surplus in December was \$85m.

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## CBI takes initiative on blacklists

BY ROY HODSON

FACED WITH mounting anger from industrialists over the Government's attempts to enforce the pay policy through Whitehall blacklists, the Confederation of British Industry is taking the initiative this week.

Britain's top 100 companies are to meet at CBI headquarters tomorrow to map out a concerted industrial reaction to the Government's pay sanctions.

The CBI last night described the Government's approach as "attempts to bring the force of law to a voluntary pay policy by the withholding of Government contracts."

After tomorrow's meeting, the CBI council will take up the pay sanction controversy, when it meets on Wednesday.

At the top of the agenda will be the Government's plan to put pay clauses into future contracts with companies.

The council is expected to recommend that member companies strike out such clauses from contracts offered them.

The militancy now appearing within the CBI's ranks over this issue was reflected yesterday by the Engineering Employers' Federation, with 6,000 member companies, which released the text of a letter to Mr. Roy Hattersley, Prices Secretary.

Mr. Anthony Frodsham, its director-general, claims in the letter that proposals to include clauses in future Government contracts to make companies responsible for the actions of sub-contractors are "impractical and unreasonable."

The federation wants the Government to reconsider the clauses which are designed to prevent companies breaking pay guidelines.

On large contracts a main contractor could have tens if not

hundreds of sub-contractors all involved in work worth more than £5,000," the letter adds. "It would be impossible for the main contractor to police wage settlements in all his sub-contractors."

The federation considers that the proposed system is "totally unacceptable to the engineering industry."

A bitter attack on the Government's blacklist of companies who have broken the pay code was made by Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, yesterday.

He ordered his 20,000 members not to renegotiate under threat and said the Government's policy of refusing to give new contracts to such companies was "discriminatory, arbitrary, and unfair."

Mr. Jenkins threatened to take court action against the Government if it put pressure on any of his members' companies to break a wage settlement.

He also urged his members to keep total secrecy on pay settlements.

The U.S. wanted segregated ballast as the only effective way of eliminating operational discharge of oil waste into the seas from tankers. Britain contended that an alternative system for cargo tanks known as crude oil washing would be just as satisfactory for almost one-tenth of the \$8bn-\$9bn estimated cost.

Both sides are now agreed that segregated ballast and crude oil washing should be accepted as alternatives to each other for existing ships, with segregated ballast becoming compulsory for new vessels.

THE UNITED STATES is expected this week to accept a compromise package on safety and anti-pollution systems for oil tankers by agreeing to drop its proposal for compulsory segregated ballast.

Outline agreement appears to have been reached informally over the weekend on a formula to put to the conference of the Inter-governmental Maritime Consultative Organisation which reconvenes in London today.

The most critical difference before the conference last week was between the U.S., Norway, Sweden and Greece on one hand, and Britain and Japan on the other.

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## Compromise expected at tanker safety talks

By Ian Hargreaves

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\* =  $p < 0.05$  vs. control; † =  $p < 0.05$  vs. 100 mg/kg; ‡ =  $p < 0.05$  vs. 100 mg/kg + 100 mg/kg; § =  $p < 0.05$  vs. 100 mg/kg + 100 mg/kg + 100 mg/kg; ¶ =  $p < 0.05$  vs. 100 mg/kg + 100 mg/kg + 100 mg/kg + 100 mg/kg.







The following Tombstone announcements were published in the Financial Times during January

## BONDS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
2/1/78	3/1/78	27/12/77	10/1/78	18/1/78	18/1/78
MEGAL FINANCE CO. LTD. DM 150,000,000 6 1/2% Bearer Bonds 1978/90 Dresdner Bank AG Credit Lyonnais and others		THE REPUBLIC OF SINGAPORE Japanese Yen 15,000,000,000 6 1/2% Yen Bonds 1987 The Nomura Securities Co. Ltd. and others CAISSE NATIONALE DE CREDIT AGRICOLE US\$30,000,000 Floating rate notes 1977/84 S. G. Warburg and Co. Ltd. and others		BANQUE FRANCAISE DU COMMERCE EXTERIEUR DM 150,000,000 6 1/2% Bearer Bonds 1978/88 Dresdner Bank AG and others SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS \$45,000,000 8 1/2% Guaranteed Notes 1984 Orion Bank Limited and others	
4/1/78	4/1/78	Dec. 1977	12/1/78	Dec. 1977	23/1/78
SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS \$50,000,000 8 1/2% Guaranteed Bonds 1992 Lehman Brothers Kuhn Loeb and others		SETTSU PAPERBOARD MFG. CO. LTD. US\$15,000,000 6 1/2% Convertible Bonds 1992 Daiwa Securities Co. Ltd. First Boston (Europe) Ltd. and others		SOCIETES DE DEVELOPPEMENT REGIONAL DM 100,000,000 6 1/2% DM Bearer Bonds 1977/92 Bayerische Vereinsbank and others	
5/1/78	5/1/78	12/1/78	12/1/78	26/1/78	26/1/78
STANDARD CHARTERED BANK LIMITED DM 125,000,000 8 1/2% DM Bonds 1978/88 Deutsche Bank AG and others		SPARBANKERNAS BANK US\$30,000,000 8 1/2% Bonds 1988 Westdeutsche Landesbank Girozentrale and others		KINGDOM OF DENMARK DM 100,000,000 5 1/2% Notes 1984 DM 100,000,000 6 1/2% Bonds 1988 Hill Samuel and Co. Ltd. Westdeutsche Landesbank Girozentrale and others	
Dec. 1977	9/1/78	16/1/78	16/1/78	30/1/78	30/1/78
PETROLEOS MEXICANOS Kuwait Investment Co. (S.A.K.) and others		REPUBLIC OF FINLAND DM 150,000,000 5 1/2% Bearer Bonds 1978/86 Dresdner Bank AG and others		FEDERATIVE REPUBLIC OF BRAZIL DM 200,000,000 6 1/2% DM Bearer Bonds 1978/85 Deutsche Bank AG and others	
9/1/78	9/1/78	Dec. 1977	17/1/78		
INCO LIMITED US\$100,000,000 8 1/2% Notes 1984 US\$100,000,000 9% Debs. 1992 Morgan Stanley International Ltd. and others FINANCE FOR INDUSTRY LTD. £20,000,000 9 1/2% £/US\$ Bonds 1987 S. G. Warburg and Co. Ltd. and others EUROPEAN COAL AND STEEL COMMUNITY £20,000,000 9 1/2% £/US\$ option Bonds 1989 S. G. Warburg and Co. Ltd. and others		LANDSVIRKJUN Swiss Franc 20,000,000 5 1/2% Bonds 1977/89 Bank Von Ernst und Cie AG and others			
Dec. 1977	10/1/78	18/1/78	18/1/78		
JUGOSLOVENSKA INVESTICIONA BANKA Beograd DM 50,000,000 8 1/2% Bearer Bonds 1977/84 Private Placement Bayerische Hypotheken- und Wechsel-Bank and others		KINGDOM OF NORWAY DM 200,000,000 4 1/2% DM Bonds 1978/83 Deutsche Bank AG and others			

## LOANS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
4/1/78	4/1/78	Dec. 1977	12/1/78	Jan. 1978	23/1/78
SOCIETE NATIONALE DE SIDERURGIE DM 25,000,000 Medium term loan Societe Centrale de Banque and others		TRADINVEST BANK & TRUST COMPANY OF NASSAU LTD. DM 100,000,000 Floating rate medium term loan Sodite S.A. and others		LIGHT-SERVICOS DE ELECTRICIDADE S.A. US\$150,000,000 Medium term loan Westdeutsche Landesbank Girozentrale and others	
Dec. 1977	4/1/78	3/11/77	12/1/78	16/1/78	24/1/78
INTERNATIONAL SA US\$30,000,000 Medium term loan Commerzbank AG and others		ATLANTICO C.E.S.A. DM 65,000,000 Fixed rate loan 1984 Bayerische Landesbank Girozentrale and others		TELECOMUNICACOES DE SAO PAULO S.A. TELES US\$180,000,000 Medium term credit facility Chase Manhattan Bank N.A. and others	
Dec. 1977	5/1/78	22/12/77	12/1/78	19/12/77	24/1/78
PARSYLON CORPORATION US\$20,000,000 7 year floating rate loan Iran Overseas Investment Bank Ltd. and others		CAROCOLOR S.A. \$100,000,000 Eurodollar loan 1985 Citicorp International Bank Ltd. and others		TELECOMUNICACOES DE SAO PAULO S.A. TELES US\$180,000,000 Medium term credit facility Chase Manhattan Bank N.A. and others	
Dec. 1977	5/1/78	Nov. 1977	13/1/78	Jan. 1978	24/1/78
AFRICAN DEVELOPMENT BANK US\$125,000,000 Long term credit facility Chase Manhattan Bank N.A. and others		SOCIEDAD ESPANOLA DE AUTOMOVILES DE TURISMO S.A. (SEAT) US\$60,000,000 6 year term credit facility Banque Europeenne de Credit and others		ELECTRICITE DE FRANCE US\$500,000,000 8 year loan Credit Lyonnais and others	
Dec. 1977	5/1/78	Dec. 1977	13/1/78	28/11/77	25/1/78
KINGDOM OF DENMARK US\$200,000,000 Medium term loan Bank of Montreal and others		THE STATE OF SPAIN US\$300,000,000 Medium term loan Compagnie Financiere de la Deutsche Bank AG and others		ENTREPRISE SONATRACH US\$54,000,000 Medium term loan Citicorp International Bank Limited and others	
Dec. 1977	6/1/78	19/12/77	17/1/78	9/1/78	26/1/78
IRAN NATIONAL AIRLINES CORP. US\$80,000,000 7 year floating rate loan Iran Overseas Investment Bank Ltd. and others		CREDIT NATIONAL US\$50,000,000 5 year loan Societe Generale and others		ENTIDAD BINACIONAL US\$10,000,000 5 year loan European Banking Co. Ltd. and others	
Nov. 1977	10/1/78	Dec. 1977	17/1/78	Nov. 1977	26/1/78
UNITED MEXICAN STATES \$1,200,000,000 Medium-term Euro-Dollar loan Morgan Guaranty Trust Co. of New York and others		EMPRESA NACIONAL DE CELOSAS US\$30,000,000 Loan facility World Banking Corp. Ltd. and others		K/S FEARLEY US\$10,000,000 US\$21,000,000 Loan facilities Den norske Creditbank and others	
Dec. 1977	10/1/78	Aug. 1977	17/1/78	Dec. 1977	30/1/78
EMPRESA NACIONAL DE ELECTRICIDAD S.A. US\$45,000,000 7 year loan Banco Bank International Ltd. and others		SONATRACH US\$14,000,000 Medium term loan Bank of America International and others		PHILIP MORRIS INC. \$250,000,000 5 year Eurodollar revolving credit Bank of Boston International Ltd. and others	
25/11/77	11/1/78	Nov. 1977	18/1/78	Jan. 1978	30/1/78
PHILIPPINE NATIONAL BANK US\$75,000,000 Medium term loan Abu Dhabi Investment Company and others		DEVELOPMENT BANK OF IRAN US\$80,000,000 5 year loan Chemical Bank and others		EMPRESA NACIONAL DE INVESTIGACION Y EXPLORACION DE PETROLEO S.A. US\$30,000,000 6 year term credit facility First National Bank in Dallas and others	
Dec. 1977	11/1/78	Dec. 1977	15/1/78	15/12/77	31/1/78
MAURITIUS US\$37,000,000 7 year loan Lloyds Bank International Ltd. and others		AGRICULTURAL DEVELOPMENT BANK OF IRAN US\$80,000,000 5 year loan Bank of America International and others		EMPRESA BRASILEIRA DE TELECOMUNICACOES S.A. EMERATEL US\$40,000,000 Medium term loan Chase Manhattan Bank N.A. and others	
Dec. 1977	11/1/78	Dec. 1977	19/1/78	Dec. 1977	31/1/78
THE INDEPENDENT STATE OF PAPUA NEW GUINEA US\$25,000,000 7 year floating rate loan Bank of America International and others		JUGOBANKA US\$25,000,000 Medium term loan Grindlay Brants Ltd. and others		LEEDS CITY COUNCIL £10,000,000 Medium term loan Kleinwort Benson Ltd. and others	
Dec. 1977	12/1/78	Dec. 1977	23/1/78	4/11/77	31/1/78
NEW ZEALAND US\$50,000,000 7 year multi currency revolving credit Lloyds Bank International Ltd. and others		ING. C. OLIVETTI & C. S.p.A. Lire 89,500,000,000 Revolving multicurrency medium term export credit facility Banca Commerciale Italiana and others		EMPRESA NACIONAL DEL PETRO US\$40,000,000 Medium term loan Citicorp International Bank Ltd. and others	
Dec. 1977	12/1/78				
JUGOSLOVENSKA INVESTICIONA BANKA US\$11,400,000,000 Medium term loan Grindlay Brants Ltd. and others					

## OTHERS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
16/12/77	3/1/78	16/1/78	16/1/78	25/1/78	25/1/78
SEA CONTAINERS ATLANTIC LTD. \$1,425 Cumulative Preferred Shares Blyth Eastman Dillon and Co. Inc. and others		BALLAST NEDAM GROEP N.V. Saudi Riyals 1,675,000,000 Syndicated Guarantees AMRO Bank Ltd. and others		GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE \$35,000,000 1977 Extendible Notes due 1980/82 Dillon Read Overseas Corp. and others	
9/1/78	9/1/78	Jan. 1978	17/1/78	25/1/78	25/1/78
ALLIS-CHALMERS CORP. and SIEMENS AG have formed Siemens-Alfa, Inc. Advised by Lazard Freres and Co.		PROVINCE OF ONTARIO US\$350,000,000 30 year 5 1/2% Debentures due 2008 Salomon Brothers and others		INVESTICIONA BANKA TITOGRA DM 30,000,000 Serial Notes due 1979/82 Marine Midland Limited	
Dec. 1977	10/1/78	Dec. 1977	24/1/78	11/1/78	25/1/78
INCO LIMITED Can \$125,000,000 5,000,000 shares 7.35% Preferred shares series B Wood Gundy Limited and others		KUWAIT REAL ESTATE BANK K.S.C. Kuwait Dinars 7,000,000 Certificates of Deposit Kuwait International Investment Co. S.A.K. Financial Group of Kuwait K.S.C.		EL PASO NATURAL GAS COMPANY 3,000,000 Depositary Preferred Shares White Weld & Co. Inc. and others	
Dec. 1977	10/1/78	Jan. 1978	24/1/78	25/1/78	30/1/78
ARTIBOLAGET DM 60,000,000 Schuldscheindeckelungen 1977/84 Certificates of indebtedness Deutsche Skandinavische Bank PORTLAND-CEMENTWERKE HEIDELBERG has acquired Leibniz Portland Cement Company Financially advised by Smith Barney, Harris Upham and Co.		BELL CANADA US\$200,000,000 9% Debentures Series DE due 2008 Salomon Brothers and others LUCAS INDUSTRIES LTD. has acquired 25% interest in Sliconix Incorporated Financially advised by Donaldson, Lufkin and Jenrette		THE SAITAMA BANK, LTD. US\$15,000,000 3 year Negotiable Floating Rate US\$ Certificates of Deposit Hill Samuel and Co. Ltd. Salomon Brothers Intl. Ltd.	

## NOTICE OF REDEMPTION

To the Holders of

## Government of New Zealand

Twenty Year 6 1/2% Bonds due March 15, 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has drawn by lot for redemption on March 15, 1978 at 100% of the principal amount thereof through operation of the Sinking Fund, \$31,000 principal amount of said Twenty Year 6 1/2% Bonds due March 15, 1986 bearing the following distinctive numbers:

## COUPON BONDS OF \$1,000

Number	Principal Amount to be Redeemed \$1,000
1000	1000
1001	1001
1002	1002
1003	1003
1004	1004
1005	1005
1006	1006
1007	1007
1008	1008
1009	1009
1010	1010
1011	1011
1012	1012
1013	1013
1014	1014
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1016	1016
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## AUTHORISED UNIT TRUSTS

## OFFSHORE AND OVERSEAS FUNDS

[illegible]

lex Limited 01-351 3486. Three-month Copper 6331-659  
ont Road, London SW16 0HS.

**CLIVE INVESTMENTS LIMITED**

ral Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101

Guide as at 7th February, 1978 (Base 100 at 14.1.77.)

Live-Fixed Interest Capital .....	135.06
Live-Fixed Interest Income .....	123.17

INSURANCE BASE RATES	
† Property Growth .....	7 1/2%
† Cannon Assurance .....	4 1/2%
† Vanbrugh Guaranteed .....	7 25%
† Address shown under Insurance and Property Bond Table.	

[illegible]

\* Based on 52 per cent. corporation tax. 'NII=\$08.  
715 100 Govt. Secs. 15/16/35. - Fixed Inc. 1933. Ind. Ord. 1/7/35. Gold  
12.4.55. SE Activity July-Dec. 1942

HIGHS AND LOWS					S.E. ACTIVITY		
	Life		Slip Completion			Feb. 9	Feb. 9
	High	Low	High	Low			
	—Daily						
acc.	9,850	56,490	127,480	49,150	Ind.-Edged	202.8	203.1
	(5,324)		(91,488)		Ind.-Indep.	210.5	210.8
cl.	51,327	18,490	184,900	50,258	Ind.-Total	210.8	210.8
	(1,424)		(221,474)		Total	133.8	154.94
	—Semi-Monthly						
acc.	44,903	59,735	459,290	49,000	Semi-Average	210.8	226.1
	(1,424)		(159,771)		Semi-Indep.	191.9	191.4
line	17,460	951	448,800	42,850	Speculative	25.3	26.6
					Total	151.0	154.1
	—Quarterly						
acc.	9,850	56,490	127,480	49,150	Ind.-Edged	202.8	203.1
	(5,324)		(91,488)		Ind.-Indep.	210.5	210.8
cl.	51,327	18,490	184,900	50,258	Ind.-Total	210.8	210.8
	(1,424)		(221,474)		Total	133.8	154.94
	—Annual						
acc.	9,850	56,490	127,480	49,150	Ind.-Edged	202.8	203.1
	(5,324)		(91,488)		Ind.-Indep.	210.5	210.8
cl.	51,327	18,490	184,900	50,258	Ind.-Total	210.8	210.8
	(1,424)		(221,474)		Total	133.8	154.94
	—Grand Total						
acc.	9,850	56,490	127,480	49,150	Ind.-Edged	202.8	203.1
	(5,324)		(91,488)		Ind.-Indep.	210.5	210.8
cl.	51,327	18,490	184,900	50,258	Ind.-Total	210.8	210.8
	(1,424)		(221,474)		Total	133.8	154.94
	—Grand Total (Continued)						
acc.	9,850	56,490	127,480	49,150	Ind.-Edged	202.8	203.1
	(5,324)		(91,488)		Ind.-Indep.	210.5	210.8
cl.	51,327	18,490	184,900	50,258	Ind.-Total	210.8	210.8
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acc.	9,850	56,490	127,480	49,150	Ind.-Edged	202.8	203.1
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	(5,324)		(91,488)		Ind.-Indep.	210.5	210.8
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	—Grand Total (Continued)						
acc.	9,850	56,490	127,480	49,150	Ind.-Edged	202.8	203.1
	(5,324)		(91,488)		Ind.-Indep.	210.5	210.8
cl.	51,327	18,490	184,				

	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	1 Year ago
Ind. Group.....	2014.0	201.86	198.98	198.01	195.40	196.15	149.34
tel.....	213.26	222.35	219.58	218.31	215.10	215.78	176.02
aid p.....	5.56	5.55	5.62	5.64	5.75	5.70	6.55
no (net).....	8.20	8.25	8.15	8.16	8.03	8.06	8.80
rea.....	204.85	205.42	202.48	201.95	199.15	199.56	162.75

SINGAPORE		HONG KONG	
	Feb. 10	Feb. 10	Feb. 3
5			
5			

19	0.62	Strait Settlements	40.46	China Eggs & Poultry	80.10	\$20.30
20	1.50	Thailand	1.98	China Eggs	81.30	\$1.50
21	0.50	U. S. Eggs	1.45	Compassing Properties	1.49	11.10
22	4.04	U. S. Eggs	2.85	East Navigation	3.90	\$2.82
23	3.56	Tractor	16.42	Hong Kong Alloys	166.50	67.00
24	1.33	Chemicals	\$4.18	Hong Kong Steel	13.70	\$18.00
25	2.06	Wheat deals	1.08	Hong Kong Steel	17.50	\$18.70
26	1.95	Wheat deals	11.51	Hong Kong Steel	17.50	\$18.70
27	12.82	Wheat deals	12.47	Hong Kong Steel	17.50	\$18.70
28				Hong Kong Steel	17.50	\$18.70
29				Hong Kong Steel	17.50	\$18.70
30				Hong Kong Steel	17.50	\$18.70
31				Hong Kong Steel	17.50	\$18.70
32				Hong Kong Steel	17.50	\$18.70
33				Hong Kong Steel	17.50	\$18.70
34				Hong Kong Steel	17.50	\$18.70
35				Hong Kong Steel	17.50	\$18.70
36				Hong Kong Steel	17.50	\$18.70
37				Hong Kong Steel	17.50	\$18.70
38				Hong Kong Steel	17.50	\$18.70
39				Hong Kong Steel	17.50	\$18.70
40				Hong Kong Steel	17.50	\$18.70
41				Hong Kong Steel	17.50	\$18.70
42				Hong Kong Steel	17.50	\$18.70
43				Hong Kong Steel	17.50	\$18.70
44				Hong Kong Steel	17.50	\$18.70
45				Hong Kong Steel	17.50	\$18.70
46				Hong Kong Steel	17.50	\$18.70
47				Hong Kong Steel	17.50	\$18.70
48				Hong Kong Steel	17.50	\$18.70
49				Hong Kong Steel	17.50	\$18.70
50				Hong Kong Steel	17.50	\$18.70
51				Hong Kong Steel	17.50	\$18.70
52				Hong Kong Steel	17.50	\$18.70
53				Hong Kong Steel	17.50	\$18.70
54				Hong Kong Steel	17.50	\$18.70
55				Hong Kong Steel	17.50	\$18.70
56				Hong Kong Steel	17.50	\$18.70
57				Hong Kong Steel	17.50	\$18.70
58				Hong Kong Steel	17.50	\$18.70
59				Hong Kong Steel	17.50	\$18.70
60				Hong Kong Steel	17.50	\$18.70
61				Hong Kong Steel	17.50	\$18.70
62				Hong Kong Steel	17.50	\$18.70
63				Hong Kong Steel	17.50	\$18.70
64				Hong Kong Steel	17.50	\$18.70
65				Hong Kong Steel	17.50	\$18.70
66				Hong Kong Steel	17.50	\$18.70
67				Hong Kong Steel	17.50	\$18.70
68				Hong Kong Steel	17.50	\$18.70
69				Hong Kong Steel	17.50	\$18.70
70				Hong Kong Steel	17.50	\$18.70
71				Hong Kong Steel	17.50	\$18.70
72				Hong Kong Steel	17.50	\$18.70
73				Hong Kong Steel	17.50	\$18.70
74				Hong Kong Steel	17.50	\$18.70
75				Hong Kong Steel	17.50	\$18.70
76				Hong Kong Steel	17.50	\$18.70
77				Hong Kong Steel	17.50	\$18.70
78				Hong Kong Steel	17.50	\$18.70
79				Hong Kong Steel	17.50	\$18.70
80				Hong Kong Steel	17.50	\$18.70
81				Hong Kong Steel	17.50	\$18.70
82				Hong Kong Steel	17.50	\$18.70
83				Hong Kong Steel	17.50	\$1

[illegible][illegible]

## INSURANCE, PROPERTY, BONDS

[illegible]

## NOTES











## GAULLIST CHIEF WARNS OF THREAT TO LIBERTY

French Left maintains lead  
as assembly poll nears

BY ROBERT MAUTHNER

WITH only four weeks to go before the French General Election, the parties of the Left have maintained their substantial lead in the public opinion polls.

The latest French Institute of Public Opinion poll, due to be published tomorrow in the magazine *Le Point*, gives the Socialists, Communists and Left-wing Radicals combined 52 per cent of the total vote in the first round, compared with only 44 per cent for the Government parties.

According to this poll, the Left will win a 35-seat majority in the National Assembly if the Socialists and Communists agree to stand down in favour of the best-placed candidate of the Left in the vital second round of the election on March 19.

In the absence of such an agreement, however, the poll indicates that the present Government parties will obtain a Parliamentary majority of 261 seats against the Left's 212.

The polls have done little to discourage the Gaullists, who organised a huge emotion-packed rally in a Paris suburb on Saturday night.

The faithful, brought in by

57 special trains and 1,000 buses from all parts of France numbered more than the crowd at the last France-Scotland rugby match at Murrayfield, the organisers proudly claimed.

Some 130,000-150,000 turned up, according to M. Jacques Chirac, leader of the *Rassemblement pour la République*, about 50,000-80,000 attended, according to independent observers.

## Icy wind

In freezing temperatures and with an icy wind blowing about their ears, they gathered in the vast disused hall of the old Paris market at the Porte de Pantin, frantically waving tricolor flags. Many of them wore red Phrygian bonnets the headgear of the *Sans-culottes* during the French Revolution—a host of outsized pixies preparing to do battle with the old Communists.

The choice of the site for the meeting was less than felicitous. On the waste land behind the iron girder hall stood the concrete carcass of one of General de Gaulle's biggest white elephants. Planned as the largest

slaughterhouse in Europe, it became the subject of a damaging financial scandal involving a number of prominent members of the party and was never completed.

But this was not the time to evoke bad memories. When you are girding your loins for a new religious war, the failures of previous crusades are best forgotten. Only the forthcoming struggle counts.

And in case anybody should have any doubts about the importance of the occasion, all the party notables had been trundled out to the old meat market.

They included the old war lords such as Michel Debré, Maurice Couve de Murville and Pierre Messmer, all former Prime Ministers. They curiously resembled members of the Soviet politburo at a May Day military parade in Moscow. Only the hats and M. Jacques Chirac-Delmars were missing.

The climax to this great super-production, an oration by Jacques Chirac, came none too soon, given the Siberian atmosphere. It was a star performance

by any standards, a demagogic tour de force and the party faithful loved it.

In tones reminiscent of General de Gaulle, Jacques Chirac painted an apocalyptic picture of France under a Left-wing Government. The destiny of the country was at stake in the next election, he proclaimed. It was not true that Communism had changed in character.

## Another tale

In every country controlled by a Communist government liberty had been suppressed. But his sharpest barbs were reserved for M. François Mitterrand, the Socialist leader, whom he accused of sacrificing all his own party's basic democratic principles in his thirst for power.

The thunderous ovation that M. Chirac received at the end of his speech might have persuaded an innocent bystander that France was still as Gaullist as it ever was. But the public opinion polls of course tell another tale, showing that the Gaullists currently have the support of only 21-22 per cent of the voters.

GOVERNMENT AND PUBLIC  
SECTOR BORROWINGS  
OVERSEAS

Impact of programme of early repayment of debt so far announced		
Original maturity	Latest	position*
Sbn.	Sbn.	Sbn.
1978	0.95	2.75
1979	2.4	2.18
1980	3.2	2.8
1981	5.2	4.94
1982	3.9	3.4
1983	2.5	2.5
1984	2.4	2.4

\* \$150m. of early repayment to IMF added to 1978 total but not yet deducted from later years since it has not been decided from which tranche the money will come.

Source: Bank of England Quarterly Bulletin and FT estimate.

should not be the priority. On this view, the borrowings should be capable of being refinanced fairly easily in the world of large oil-producer surpluses given the U.K.'s improved financial standing.

Thatcher  
moves  
to allay  
Tory race  
line fears

By Richard Evans, Lobby Editor

MRS MARGARET THATCHER, the Conservative leader, sought yesterday to calm the confusion in the Tory Party on the issue of immigration after evidence of growing disquiet at the hard line she appeared to take in her controversial television interview two weeks ago.

In a major speech to the Young Conservatives' conference at Harrogate, Mrs. Thatcher firmly maintained her commitment to adopting policies designed "to work towards the end" of immigration in this country.

She reaffirmed more unequivocally than before the Conservative Party's commitments to A.F. passport-holders from East Africa, and to the immediate dependants of all immigrants who settled in the U.K. before 1973.

"We will honour these commitments," she told an enthusiastic audience, many of whom had been disturbed by the tone of her Granada interview. She was given a standing ovation before and after her speech.

## Few clues

The effect of the speech will probably be to soothe worries of some party moderates, including members of the Shadow Cabinet, who feared she might be chasing potential National Front votes by hinting at a hard line on immigration that could not be fulfilled in practice.

There were few clues on how a future Conservative Government would intend to reduce immigration substantially, apart from the contention that now that the subject was in the open, loopholes would be closed and numbers begin to fall.

Tory Party proposals are still being formulated under the guidance of Mr. William Whitelaw, Deputy Leader, and will probably not be unveiled for some weeks.

Mrs. Thatcher will still face Labour Party charges that she is raising the issue of race for cynical electoral reasons, and has no prospect of ending immigration while still maintaining her party's commitments.

Although the Harrogate speech showed no real retreat from the call for a much tougher immigration policy, its tone was markedly different from the Granada interview.

Mrs. Thatcher was given full backing by Lord Thorneycroft, party chairman on Saturday. He said that citizens of whatever colour were equal in status and dignity, and advocated recruitment of more coloured people into the party.

## Weather

U.K. TO-DAY  
SUNNY intervals or cloudy with snow. Very cold.  
London, E. Anglia, S.E. and Cent. South-east England, Midlands.

Mostly cloudy, snow at times. Max. 0C to 1C (32-34F).  
E. and Cent. N. England, Borders.

Cloudy, snow at times. Max. 1-2C (34-36F).  
S. and S.W. and N.W. England, Wales, Lakes, I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland.

Sunny intervals. Snow showers. Max. 1-2C (34-36F).  
Edinburgh, Dundee, Aberdeen, Cent. Highlands, Moray Firth.

Mostly cloudy, snow in places. Max. 0C (32F).  
N.E., N.W. Scotland, Orkney, Shetlands.

Sunny intervals, snow showers. Max. 0C (32F).  
Antioch: Very cold with severe frosts.

BUSINESS CENTRES		
City	Day	Time
Amsterdam	10.30	12.30
Antwerp	10.30	12.30
Bahia	10.30	12.30
Barcelona	10.30	12.30
Batavia	10.30	12.30
Bombay	10.30	12.30
Buenos Aires	10.30	12.30
Calcutta	10.30	12.30
Canton	10.30	12.30
Cebu	10.30	12.30
Colon	10.30	12.30
Hankow	10.30	12.30
Hong Kong	10.30	12.30
Kobe	10.30	12.30
London	10.30	12.30
Lyons	10.30	12.30
Manila	10.30	12.30
Medan	10.30	12.30
Osaka	10.30	12.30
Panama	10.30	12.30
Perth	10.30	12.30
Rangoon	10.30	12.30
San Francisco	10.30	12.30
Singapore	10.30	12.30
Sourabaya	10.30	12.30
Taipei	10.30	12.30
Tokyo	10.30	12.30
Yokohama	10.30	12.30

HOLIDAY RESORTS		
City	Day	Time
Algeria	10.30	12.30
Algiers	10.30	12.30
Bahia	10.30	12.30
Batavia	10.30	12.30
Bombay	10.30	12.30
Buenos Aires	10.30	12.30
Calcutta	10.30	12.30
Canton	10.30	12.30
Cebu	10.30	12.30
Colon	10.30	12.30
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Perth	10.30	12.30
Rangoon	10.30	12.30
San Francisco	10.30	12.30
Singapore	10.30	12.30
Sourabaya	10.30	12.30
Taipei	10.30	12.30
Tokyo	10.30	12.30
Yokohama	10.30	12.30

THE LEX COLUMN  
No accounting for  
leasings growth

Britain's accountants and Government's granting of 100 accounting method known as finance houses are at last trying per cent. capital allowances for sum-of-the-digits method, to find a generally accepted plant and equipment in the rule of 78. This is designed method of accounting for leasing early 1970s followed up by the split rental profits conserving a financing phenomenon introduction of stock appreciation over the years of the last few years. Last week reprinted. The combined effect was to according to an arithmetic progression. It is also relatively simple to operate.

Standards Committee met the companies on a rough-and-ready main lessons and discussed the form of inflation accounting for leasing process. Later this month the process will move a stage further when the ASC meets some of the major users of leased assets (*leasées*) in the country.

The growth of the leasing industry during the seventies has been so great that accountants can no longer afford to regard it as a fringe activity. In 1967 annual leasing volume was running at just £20m. Ten years later the figure is close to £600m. annually, and the industry is growing at a yearly rate of over 20 per cent.

A recent survey showed that more than 60 of the top 100 U.K. companies now use leasing for part of their financing arrangements. According to the Equipment Leasing Association, in 1976 leasing accounted for 7 per cent of all investment in plant and equipment in the U.K. Assuming that internal funds accounted for 70 per cent of the total, then by implication leasing represented upwards of a fifth of all investment financed from external sources.

## Explosive growth

There are plenty of reasons for this explosive growth. Leasing can be a useful additional source of fixed rate medium-term funding (generally up to five years) and it can be "off-leasing" profits from that would remove one of the items from the lease account balance sheet. But the real impetus was provided by the

measures had a double-barrelled effect. On the one hand companies were being encouraged to invest more, while on the other the higher depreciation allowances and stock profits relief meant that they were paying very little, if any, main-stream corporation tax. But there was one part of the corporate sector which did not benefit very much from these reliefs and, incidentally, had come up with a formula as the investment method which does this automatically.

## Clearing banks

Leasing provided an ideal opportunity for the banks to get their tax bills, while at the same time extending their range of financial services. The system works because the banks become the legal owners of the equipment they finance through leasing, and thereby qualify for the 100 per cent capital allowances. The only real limit on the amount of leasing business that can be written is the size of their own taxable capacity. Today the clearing banks, for instance, are around three quarters of all new leasing business and this is one of the reasons why leasing is so popular. Up to now most of the banks have been taking profits from that would remove one of the items from the lease account balance sheet. But the real impetus was provided by the

Big debt burden remains  
despite early repayment

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PROGRAMME of early repayment of some of the U.K.'s official borrowings from overseas so far has made only a small dent in the large totals due to the peak years of 1979-84.

Within the last few months, the early repayment in 1978 of overseas debts totalling \$1.75bn. has been announced, including \$1bn. to the International Monetary Fund.

Most of these loans originally matured in the early years of the period, with between \$320m. and \$385m. being deducted from the amounts due between 1979 and 1981 and \$500m. coming off the 1982 total.

However, this still leaves total loans of between \$2.8bn. and \$4.94bn. due each year between 1980 and 1982. Debts of just over \$20bn. mature between

now and 1984. The Government's policy is to spread the burden of repayment away from these peak years both by repaying now and by seeking new finance maturing after the mid-1980s.

## Controversy

Latest estimates suggest that in order to reduce the amount of refinancing and repayment in two or three years, further moves may be necessary in the next year or so while the current account remains strong and the reserves are high.

The present total repayments for this year, including amounts maturing anyway, is \$2.75bn., slightly less than the estimated current account surplus for the year.

It is widely expected that the total will be more than \$3bn. by the end of this year, while refinancing moves amounting to \$400m. since last October will continue.

There has been considerable controversy over the priority to be given to debt repayment.

The Bank of England has noted the scope for new borrowing, but argued that it would clearly be necessary to provide for a net reduction of debt on a scale that was appreciable in relation to maturing obligations which, among other reasons, made it desirable for the current account to remain in surplus.

Others have argued that maintaining a current account surplus for this purpose and thus restraining domestic growth

Begin angry at Vance remarks  
on Sinai settlement issue

BY L. DANIEL

TEL AVIV, Feb. 12.

MR. MENAHEM BEGIN, Israel's Prime Minister, strongly protested today about recent statements from Mr. Cyrus Vance, U.S. Secretary of State, that Jewish settlements in the occupied Sinai should not exist and that a Palestinian homeland should be created.

Following the weekly Cabinet meeting, Mr. Begin read a statement to the Press expressing the Government's unanimous regret about Mr. Vance's remarks last Friday. Mr. Vance had implied that the Israeli settlements were against international law.

Sources here stress that there is great bitterness over what the Government regards as an American volte face. It was believed here that when Mr. Begin saw Mr. Carter on December 18 and 17, the U.S. Administration accepted the Israeli position on the Sinai settlements, and the problem of a Palestinian homeland.

The statement, which was read by the Prime Minister in both Hebrew and English, said that even after Mr. Begin's peace plan was submitted in writing on December 27 to Washington, no communication was received for seven weeks that the settlements should be removed.

Mr. Begin included a specific reference to the continuous existence of the Sinai settlements within a UN zone with an Israeli military contingent to defend the area.

"During the course of exchanges in the White House not only was no reservation whatsoever made with regard to this reference, but the plan as a whole was received with a positive reaction," Mr. Begin said.

The Government of Israel, he went on, "stands by its view that the settlement programme is in full harmony with international law and that it has always been legal, legitimate and essential."

The protest apparently has been conveyed to the Carter administration as Mr. Begin held a meeting with the American Ambassador on Saturday night before the Cabinet meeting.

The feeling here is that because the Prime Minister took the step of personal reading out the statement, it is intended to convey not just a routine reiteration of Israel's position but also a charge of extreme bad faith by the U.S. government.

Mr. Begin noted that Mr. Vance had said at his Press conference that the settlement problem must be solved by the parties involved. "We have here an obvious contradiction in terms between a statement that the settlements are to be removed and a statement that the parties are to solve the problem," he said.

Referring to Mr. Vance's statement that a Palestinian State would be set up, the Cabinet's view was that this would lead inevitably to the creation of a Palestinian State. This was irrevocably opposed by Israel.

"A Palestinian State would be ruled by hostile guerrillas and result in an anti-Israeli alignment consisting of Jordan, Syria, Saudi Arabia and Iraq as well as Palestinians."

Such an alignment, the statement pointed out, would have at its disposal nearly 6,000 tanks, more than 1,100 fighter aircraft and more than 4,200 heavy guns.

Israel under such conditions would find itself nine miles from the sea if the pre-1967 borders were re-established and a situation would thus be created of mortal danger to its very existence. "No political goal, whatever it be, can move Israel to place almost all its civilian population within the range of an enemy's fire and endanger the existence of the Jewish state," the statement said.

It ended by expressing the Israeli Government's hope that the U.S. would reconsider its position in the light of positive talks held between the President and the Israeli Prime Minister in December 1977 in connection with the Israeli peace plan.

Editorial comment. Page 12

Mr. Bassett says that his main aim is to unite public service unions on issues like public expenditure and cash limits and to help public sector workers' pay relativities with private industry.

But Mr. Jones has told Mr. Bassett his union will not support the idea, at least one other general secretary fears it could imply the loss of individual unions' bargain power.

Mr. Jones also said that such

Continued from Page 1

## New stage of wages policy

Labour Party activists and rank-and-file union members to the rigid earnings limit.

At the same time, the TUC has not protested too vigorously in public, and Congress House is already preparing to argue for flexibility on certain issues in the forthcoming discussions.

It is being suggested for instance that the Government would have to exempt from any target pay deals that it introduced a cur in the working week, as this would help counteract unemployment.

Some extension of the 12-month rule, to which the TUC ceases to be committed as Stage Two settlements expire, will also be injected into the discussion. This could be central to the Government plans.

At this stage Ministers have not come up with any specific plan, whether involving the TUC or not. But reaction to anything

resembling the two years of agreed restraint or the present rigid and unilateral policy is likely to be very hostile.

Mr. Moss Evans, who succeeds Mr. Jack Jones as general secretary of the Transport Workers at the end of March, has already declared war on further Government intervention in bargaining.

Last night Mr. Jones said that there was "no question" of the TUC entering another deal. "We are set on a course of restoring normal collective bargaining. Obviously anything that reduces the rate of inflation and reduces taxation will have a decisive influence on collective bargaining."

Talk of a further policy would jeopardise present pay negotiations. "I don't mean there should be automatic acceptance of 10 per cent, but we want a moderate approach."

Mr. Jones also said that such

CAN A £12,000 A YEAR  
MAN JUSTIFIABLY COMPLAIN  
ABOUT INFLATION?

We think he can. It's our experience that such a man, because he usually has to maintain certain standards in his personal and professional life, finds it difficult to save.

The value of the capital he owns, meanwhile, seems to be disappearing fast. What is more he's lucky if that capital can increase his spendable income after tax.

As one of Britain's oldest unit trust groups, we believe it is our job to find answers to problems like these. That's why we have a comprehensive range of funds and schemes.

Currently we manage £320 million, and have over 98,000 unit holders. While we'd like you to join them, we'd rather you first sought the impartial and expert advice of your professional adviser.

If he thinks we're the right unit trust group for you, then perhaps we can get together and help you, and your savings, fight back against inflation. Even if you do earn £12,000 a year or more.

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